THE SOUTHERN

LITERARY MESSENGER.

OCTOBER, 1845.

TO THE MEMPHIS CONVENTION.

On the 4th of July, 1845, there assembled, at Memphis, a Convention of the Southern and Western States. The Convention appointed committees and adjourned over to the 12th of November, to receive their reports and to take final action, upon the following subjects:

"1. On the Military and Naval resources of the Mississippi Valley, and its ability to create and sustain a Steam Military Marine.

2. On the improvement of the Ohio river; and on the subject of a Free Canal at the Falls of the Ohio.

3. On the improvement of the Mississippi river and its tributaries.

4. On a Western National Armory.

5. On a National Ship Canal, to connect the Mississippi with the Northern Lakes.

6. On Mail Routes on the Western rivers.

7. On a Military Road through the Public Lands in the South-west.

8. On reclaiming the submerged grounds along the margin of the Western rivers.

*9. On the growth of Cotton.

*10. On Manufacturing in the South.

*11. On the completion of the Railroad from Charleston to Memphis."

My opinions have been requested upon certain of these subjects, and you, Mr. South, have called on me, through the columns of the Messenger, for them, in relation to a "Warehousing System." The Warehousing System is second, in importance, to no subject before the Convention. But there are other matters also, besides these, which deserve to be considered, and upon which I wish to make a few remarks. I adopt this channel of communicating to the Convention what I have to say, that members may have time to consider and make up their minds as to the subjects proposed.

The States to be represented in this Convention, comprise all the producing States of the country, except the little trio of Delaware, Maryland and Jersey, (if we call those only producing States, which yield a surplus of the great staples of commerce, such as wheat, cotton, provisions, tobacco, and the like.) These are they which give to American commerce its sweep of wing. They constitute the chief sources of our national wealth, and they are the fountain-head, whence are derived the revenues of the general government itself. An important assemblage, therefore, will be the Memphis Convention.

The assembling of these States in a normal convention, for the objects proposed, presents to my mind one of the most grand and sublime spectacles, that the working of our beautiful principles of government has ever exhibited. We have indeed seen the people of single States holding their primary assemblies—we have had, too, our grand national conventions; but these are, for the most part, merely sectional, or of party against party, in the choice of leaders,—but where, before, did we ever witness ten or twelve millions of freemen, representing all the diversity of interest, which twenty and more degrees of latitude can give to fine climates and the most fruitful of soils, rising up above the bands of party and the influence of section, and coming together in the persons of their delegates, peaceably to consider of the common weal? It is an example and a precedent which if wisely set, will tend to good.

Representing a great diversity of interest, the delegates to this convention meet, in the loftiest spirit of patriotism, to take council together, as to those federal measures of legislation, which the

* *Note.*—It will be perceived, that some of these subjects are entirely local. It is not the intention or object of the Convention to urge such upon the attention of the General Government.

reclaiming of a wilderness has made necessary and essential, for their general welfare and the common defence. The fact speaks volumes, as to the capacity of the republican form of government, to embrace diversity of interests and extend itself over remote regions. Lift the veil, behind which future generations are standing to people the "Far West," and imagine the populous States of Oregon and of the Rocky Mountains, uniting, in their normal assemblies, to make known, after the example of the Memphis Convention, those great national resources, which the calling of those States into existence will have made necessary for the common weal—and when you have attentively considered this picture—say, where is the interest so remote, or the State so distant, that it cannot be embraced by our admirable system of government.

In this convention, the people are to speak for themselves, and to lay before the high councils of the nation, their claims with regard to certain measures for the general welfare and common defence. But in doing this, they will do it in the spirit of the strong man, who though conscious of his powers, still in noble magnanimity, scorns to rest his claims upon any other grounds than those of reason, truth and justice.

I hope, therefore, the Convention may be well and wisely attended. That the Floridian will be there to make known the dangers of his unbeaconed coast, and to show the national importance of erecting along it certain Light Houses, for the safety of navigation. The best talents of South Carolina, Georgia, Alabama and Louisiana, should be there, to tell how their trade has languished, and to discuss the means by which it may be restored to health and vigor. The Lake States will be there, with their plans for the common defence and their own safety in war. There, too, should be present, Western Pennsylvania, the Old Dominion and all the river States, to deliberate upon the present condition of those great arteries of commerce among them, which dispense blessings to "their basket and their store," and which crown the country itself with prosperity.

Assembled together with these objects in view, it will present a sublime spectacle to see, in the persons of their delegates, millions of the freest people on earth, going into committee of the whole, upon the maritime resources and naval strength of the great Mississippi Valley. Then see them rise and point out to their country, "wherein their great strength lieth," and pledge it, with all its future growth, at the altar of Patriotism, for the common defence and general good.

Coming from the midst of these people, and having studied their interests long and closely, I am called on for my views. Let them go for only what they are worth,—I consider them of no great value; such as they are however, I take the liberty of addressing them to the *Members of the Convention.*

The Ship Canal Between the Mississippi and the Lakes.

The value of the fleet, which the next cessation of hostilities with Great Britain will find on the Lakes, would, in all probability, pay more than twice over, the cost of this great and essential link in the system of national defence. For the want of such a communication with the sea, one gallant fleet of ours, with its noble prizes, has already been left 'in cold obstruction to rot' upon the Lakes. Great Britain has sustained a similar loss for like reasons; but she, more ready than we at the dearly-bought lessons of experience, has made haste to profit by what was taught her then. She has already taken care that, come what may, her Lake fleet shall not be left again to rot before Kingston,—for she has opened her ship canals from the sea to the Lakes. This is a measure on her part for warlike purposes. We must offset it. I have never known a more popular question started in the country; nor one more deservedly so, than this Ship Canal between the Mississippi and the Lakes.

The question has been asked by some of its few opponents, "Is it possible that England, in case of war, would pass by New York and other large Atlantic cities to fight us on the Lakes?"

She has ships enough to attack us in both quarters at once, is the answer; and so important did she consider the Lakes, in the last war, as a scene of operations for her ships, and so eager was she to attack us there with them then, that she had timber for a ship sent from Canada, over to her dock-yards at home; there it was fashioned, sent back in pieces to Montreal; thence in carts round the rapids to Lachine; thence the pieces were embarked in batteaux and taken to Prescott, where they were formed into an immense raft, upon which two guns and a battalion of marines were shipped, to take it through the Lake of One Thousand Islands, to Kingston. Arrived there, this raft was pulled to pieces and formed into the sloop of war Psyche; the cost of which, upon being cast up, was found to be *five millions of dollars.* This sum would have been enough to enable her to build and send to attack New York, 40 such vessels; yet she felt that one upon the Lakes was more important than 40 there. This fact is pregnant with meaning.

Sunk before Kingston, are now to be seen the hulk of this costly 26 gun-ship, of the Montreal of 26 guns, of the Regent of 44, of the St. Lawrence of 120, and the Niagara. Besides these, two of her fleets fell prizes to American tars.

Is it, therefore, strange, that England judged it wise and cheap to have a Ship Canal ready for the next time?

The discussion of Lake defences here has attracted attention there, and her military writers, after exposing her blunders and draw-backs upon the "lines," in the last war, openly sustain the posi-

tion which I have assumed, with regard to the importance of Lake defences.

In the last number of the "United Service Journal," (a paper devoted, with great ability, to the naval and army interests of the kingdom,) a military writer, who served out the last war in Canada, and who has been much there since, remarks, in an elaborate article upon the "defences and resources of Canada, in the event of war"—

"The command of the Lakes and waters in Canada will always give the side possessing it every advantage; for if the Americans have it, they will be enabled to *land troops* on any part and keep possession as long as they choose: while, if we have this advantage, we can prevent them from coming over, or keep them prisoners if they did. *But the welfare of Canada as a British province, will entirely depend upon England's having the superiority on the waters.* This will equally hold good as regards our maritime affairs on the ocean; for though the ostensible ground of contest may be the Oregon Territory, it is most certain Canada will be the *great seat of war from one end to the other*, and we shall have to fear internal as well as external foes."

Such is the importance attached there to Lake defences, and the command of the Lakes in war.

A Ship Canal from Mississippi Valley to the Lakes, would not only give us the command of those important inland seas in war, and answer all the exigencies of the common defence of that quarter; but to my mind, it would do more to strengthen the Union, to bind together the East and the West, the North and the South, than any measure that has been brought before the country for years. As a great national question, it is second only to that of the free navigation of the Mississippi and the purchase of Louisiana.

Various elements are at work in our political system to try the strength of the Constitution. We hear murmurs now and then among the States, and hints of disunion among classes, faint and low indeed; but still, like the mutterings of distant thunder, they tell that the elements of the storm are in motion. Whenever, if ever, a political storm shall break upon us, this Canal will prove a noble anchor to the States. It is their "best bower," and with it to hold by, I have no fear but that the Ship of State will ride them all out in safety, and that her colors never will be seen "union down."

Come upon us what convulsions there may, I, for my part, can imagine none so violent as to separate the Upper and the Lower States of the Mississippi Valley. And why? Because of that river. It is the artery that gives life and animation to business there—health and prosperity to that vast region. Dissension among those States, as to separation, would be the quarrel over again, between the members and the belly. Give the country this Ship Canal for the purposes of defence, let it be capacious, grand and free, you then make Cincinnati and St. Louis, Kentucky and Illinois, as dependent upon New York and Boston, and these again upon them, as the former now are upon New Orleans and the Gulf.

There are various agents both political and religious now at work, whose tendency is to foster sectional jealousies; and if left alone, to beget a spirit of disaffection among citizens. Intolerance, Bigotry and Fanaticism, are the bane of free institutions;—they may be destined some day to try the strength of the Union. Give us, therefore, for antidote this Canal; make it as easy and as cheap to steam up into the Lakes, as down into the Gulf;—instantly the business relations of life, the ties of friendship, blood and commerce, with those strong feelings of mutual dependence, which trade and intercourse alone can beget between States and the people of States, will become as binding and as active, between New England and the West, as they now are between the Upper and the Lower Mississippi. Ohio and Kentucky, Indiana and Illinois, Michigan, Iowa and Missouri, together with all the States hereafter to be formed to the North and West of them, holding on to the Southern States with one hand, will stretch out the other through this Canal, to the Northern States. By it, they will cling to New York, and through it grapple New England with hooks of steel. With the ties of affection and interest as strong for the North as the South, these States would become in all questions of high excitement between the different sections of the country, the conservators of the Union. Political separation on either hand would be ruinous alike to them. They, therefore, would occupy the "blessed position of peace maker," in the republican family, and become the great conciliators in Council, between the North and the South, in all their matters of controversy.

This link is wanting to strengthen the Union, to make us safe in war, more prosperous in peace, and this link the Valley people must have.

This system of Lake defences is more than a naval or a military question,—it is a great National question of State. It is too broad and too general in its bearing for section or for party. Big with the promise of benefit and blessings for the whole country, it is worth the consideration of the wisest and best hearts and heads amongst us. To such hearts and heads I commit it, for I do not think that I can add one word more to enforce the views that I have already expressed, and which are before the public, with regard to this measure. I beg leave, therefore, to present to the Convention, a few other matters for their consideration.

Bread for the Navy.

The importance of having good bread for our sailors is obvious without argument. Jack Tar can no more fight, without a biscuit in his bag, than

he can, without a shot in his locker. Next to a tight ship and strong ropes, he values *good* bread. Government builds for him his ship at its own navy-yard, makes for him his rigging at its own rope walks, and forges for him in its own work-shops, anchors, chain-cables and kitchens; but the article of bread, the prop and stay of all, is left to contract. It then becomes the interest of the Baker to make it of cheap flour, compounding with it adulterating ingredients of various sorts; for it is impossible, with the utmost care on the part of inspecting officers, always to detect adulterations, especially if they be cunningly made. This bread is sent the world around, for our seamen of the different squadrons; and it not unfrequently happens, that when it comes to be opened, after 6, 12, or 18 months, as the case may be, that it is found to possess fully within itself, all the powers of locomotion. The health of the crew is thus endangered, for it often becomes with them bad bread or no bread; the public interest suffers, and in the end, large quantities of bread are condemned and cast into the sea.

The completion of the Ship Canal to the Lakes, will make Chicago the half-way house between the Atlantic and the Gulf. It is in the midst of a region which abounds in the finest of wheat, and from the government bake houses at the navy yard there, supplies of bread for ships fitting at New York and Boston, or cruising in the Gulf, may be sent at one week's notice. And thus they would receive their bread fresh from the oven, and of the best quality.

Contracts have now gone out for bread, which perhaps will not be consumed for two years hence. And unless it be made of the best flour, much of it will be condemned and thrown overboard, when opened.

Were the public bakery to be established at one of our navy yards on the Atlantic, bread sent thence in war, would have to encounter the dangers of the sea, be exposed to the violence of the enemy,—and run the risks of capture, on its way, to our squadron serving in the Gulf, for instance. From Chicago, no such difficulties would beset its delivery, either in the East or the South; but supplies would be certain, prompt and wholesome to all. The communications are wholly inland.

Did Norfolk, New York or Boston share equally with Chicago these advantanes—as they do not—I should still be in favor of establishing the bakeries for the navy, at Chicago, upon the grounds of distributing among the different sections of the Union, the public disbursements, as equally as a due regard to economy and the public weal will admit.

The principle of raising revenue by equal taxation, and the doctrine of so disbursing that revenue, that its benefits may be re-distributed as equally as the objects to be accomplished will admit, are co-ordinates in the same system. Their reciprocating action is most wholesome; it tends to bind the parts together, and so bound, to strengthen the whole Union.

The School of Engineers.

General Washington said, "in peace prepare for war," and advocated the establishment of a Military Academy, to teach the science and the arts of war. This Academy has been supported by the people and cherished by every administration, since his time. But when General Washington lived, Fulton had not invented. Steam has since become a vast engine of power and the most terrible weapon in war. A knowledge of steam now is as essential in war preparations, as a knowledge of military tactics and the arts of strategy used to be. It will be as difficult successfully to wage any future war on the ocean, without the assistance of Steam Engineers, as in times past, it was on land, without the help of flying artillery. In fact, steam hereafter is to constitute the flying artillery of the sea; and in all great naval battles, hereafter, its use is to be indispensable.

Government drills soldiers and educates officers for the army—Government apprentices boys to the sea, and trains Midshipmen for the navy,—all at no small cost. The plan has been long tried, it was suggested by necessity, and is well approved of by experience. The part that the Engineer performs in battle, is more responsible than the Midshipman's, and far more important than that which attaches to any subordinate officer, either on board ship, or in the battalion. Hereafter, the Engineer will take the place of the ancient Master in the sea-fight. It will be his duty to apply the motive power, which is to lay the Steam-Ship along-side, or aboard the enemy, which is to enable your sea captains in battle to succor the weak, to tow out of action crippled and disabled ships, and to bring in fresh ones;—and upon his skill, his coolness and courage, in the management of the engine, will the fight in a great measure depend. Why, therefore, should we not have a school for his instruction and his training, as well as for that of Cadets and Midshipmen! The school required for him is different from theirs:—essentially normal in its character, it must be a school for labor as well as for study. Like the reciprocating motions of his engine, the system I am about to propose will act and react, without cost, upon the public service, provided the government will but undertake the office of regulator.

The sinews of naval strength in the Mississippi valley lead along its rivers;—the contingent to be furnished by it in war will consist chiefly of steam power, and the grand aim and purpose of the Memphis Navy Yard will be to assist in the development of these resources, while it is peace, that it may make them available when it is war. Prop-

erly appreciating its importance and advantages, we may expect to see the Government making of Memphis, the Chief Depôt of its Steam Marine. In its workshops will be congregated a large number of artizans—some of one degree of skill and some of another; but each one, however humble or simple his office, (from him who carries the ladle or turns out the rough casting, to him who presides over the finishing shop and model room,) will perform an important and necessary part in the construction of that beautiful machine, called an Engine. In such an establisbment, the honest farmer and industrious mechanic will find a place for their sons; for there will be a demand for many apprentices.

It is of these apprentices, that I propose to form this school, from these that I would draw the future Engineers for the navy, which the invention of steam has made essential to it. They should be provided with proper instructors; the requisite facilities of receiving instruction should be allowed them, and they should have the privilege of hearing, day by day, stated lectures from the best masters in the country upon steam, the steam engine, the science of mechanics, and as much of mathematics as is essential to a proper understanding thereof. They should be taught, in the shops, not only how to build, put together, and work an engine, but they should be taught also in the school room, to plan, model, draft and adapt all its parts. When their indentures were up, they should be not only practical mechanics, but scientific engineers, fully competent and capable of doing all things pertaining to the business of the same. Nor should their moral or religious culture be neglected. Two or three hours a day might well be spared from the ten hour system, to these youths, for instruction, and with as much advantage to body as to mind.

We have hundreds of apprentice boys in the navy, who are admitted from 14 to 18 years of age. They are paid from $5 to $8 a month and fed—they are furnished with school masters and instructed in reading, writing, and the rudiments of navigation, etc., at the public expense. If such instruction be required for the common sailor, how much more for the accomplished Engineer.

The annual charges upon the Treasury on account of the apprentice system, exceed many times over the probable cost of this school of Engineers. Of what avail in war would be your powers of steam and force of vessels, without Engineers to control this power? Your steam ships of war, without well trained Engineers, would be as ships at sea without navigators to direct, or seamen to manage them. The attainments of the Engineer are of a high order, and if it be necessary for Government to educate seamen, Cadets and Midshipmen, equally as necessary and important is the proper education of its Engineers.

As vacancies occur in the navy, the most competent of the school should first have the refusal of the place. The pay of an Engineer in the navy is from $500 to $3,500 a year—the rate of pay depending upon his standing—prizes brilliant enough to call forth the best talent of the country, to compete for the honors and rewards of the Memphis school. After the navy was supplied, the rest of the graduates would find useful and profitable employment, on the river boats and elsewhere. They should be free to go on their own account, under a pledge however, to come when called, in case of war. These would constitute a most important corps of reserve, maintained without cost to the government, from which, in case of emergency calling suddenly for large accessions to the Navy, our public-armed cruisers could be supplied with the best and most skilful Engineers in the world. Thus, the true Naval strength of the "great Valley" would be vastly increased, at little or no expense. The contest of mind with mind, in modern times, has demonstrated the important truth, that military power consists not in large armies, but in the mechanical skill and Naval superiority of a free people. And Naval superiority, it has been truly remarked, does not consist in the number of ships built and building, but in the *capacity* to build, man and equip ships, as occasion may require. And it is this *capacity*, which it is the true policy of the Government to develop in the West. A few of these well-taught men, going from this school out upon the river boats, would, by the influence of their example, do much to raise among Engineers on the Western waters, the standard of qualifications there, and thus one of many of the collateral and beneficial results of the Memphis school would be, greatly to improve the safety of river navigation. As soon as the moral influence of this school could be felt upon the rivers, we might expect it to do more towards preventing the explosion of boilers, than all the laws of our Statute books have ever been able to accomplish.

The advantages to the public service, of educating this class of officers for the Navy are obvious,—the collateral benefits to the public at large are palpable,—proof or demonstration cannot make them more so. The bare mention of the plan is enough to commend it to the consideration of the wise and good. With them I leave it.

Mail and Snag-Boats.

The ability of the South and West to furnish their contingent to the Naval forces of the country, and the value of that contingent, will depend, in a great measure, upon the facilities with which they can make their Naval resources available for war purposes. Large bodies of men, brought suddenly together and taken out to sea, without the leaven of discipline, or the spirit of subordination

among them, are shorn of all their strength. Should government Mail-Boats be established on the Western rivers, on the Lake and Gulf Coasts, as they certainly should be, they and the Snag-Boats might, as far as they are concerned, be made to answer the double purpose of subserving the public weal in peace, and of teaching their crews, at the same time, habits of discipline, and the arts of war. In these boats, the Engineers from the Memphis school would increase their practical skill, and officers, that otherwise would be unemployed, might find useful occupation in them. Built to pass the Ship Canal, and constructed to be used as men-of-war, if necessary, armaments for them should be provided, and left, both at Memphis and Chicago, ready to be taken on board for service either on the Gulf or the Lakes. And thus, while these vessels with their crews would promote the ends of peace, and be usefully employed among you while it is peace, they might, without additional expense, be rendered really a formidable fleet of minute men of-war, ready, when peace was no more, to give the first blow, or to drive back and discomfit the first hostile approach.

The true secret of the ability of the South and West to sustain a Military Steam Marine is, to have the powers of Naval expansion imparted to their resources. It appears to me, that the proposed school of Engineers, this fleet of Mail and Snag-Boats, properly constructed and maintained, would constitute at once a nursery and a nucleus, by means of which, the steam power of the "Valley" might be expanded, in case of war, into the most formidable force that has ever been commissioned by man, to roam the sea, burn, sink and destroy.

River-Marks.

Every observing man, who has passed up or down the Western rivers, particularly during their low stages, must have seen and felt how important it would have been, not only to him, but to the business of the whole region that is watered by them, had there been some index, or contrivance, by which the captain could have told in advance, the exact depth of water on every shoal to be passed. The number of boats that are sometimes to be seen aground on the principal shoals of the river, tell how important such information would be, at least in their case.

That ships may be enabled to know the draft of water which they can carry into our various Atlantic ports, as well as that they may know the depth on the various shoals and bars which surround them, the "Coast Survey" has been authorised, and has been carried on for the last ten or 12 years, at an average charge upon the treasury of not less than $100,000 a year. To complete it, will require an annual expenditure of at least that amount for 10 or 15 years to come, perhaps longer. The commerce of the country on the Western rivers, is at least equal in value to the commerce of the country upon the Atlantic.

It would seem, therefore, that the safe navigation of the Western rivers should be as much entitled, as the safe navigation of the Atlantic, to the consideration of the Government. There is, however, this difference between the shoals of the Atlantic and of the Mississippi;—the depth of water on the former depends upon the winds and tides; the depth upon the latter, on the rains and the seasons. But practically, it is as easy to determine the variations of depth from the one cause, as from the other—only, on the Western rivers, it may be done at one tithe the cost. If there be shifting bars on the Western rivers, there are also shifting shoals on the Atlantic coast. We can mark the changes in the river, as well as we can buoy and beacon changes in the sea.

It is perfectly obvious, that the depth of water at any point upon the Mississippi, or any other river, depends upon the quantity which comes down from the shoals above, and this quantity is regulated by the depth upon those shoals. Take an example.—The depth of the Ohio, in the deep, still water before Louisville, depends upon the depth on the principal shoal—let us say, below Portsmouth, Ohio, a rise of 6 inches on the shoal, producing, for example, a rise of 2 feet in the deep pool at Louisville. A few simultaneous observations, conducted by two observers, one at Louisville, the other at the shoal, and made at various stages of the river, would establish the ratio of depth between the shoal and pool with such precision, that a mark might be placed in the water at Louisville, which, at all times, and with great accuracy, would show the depth on the shoal. Thus, suppose it were ascertained from the soundings, just supposed to be taken at each place, that a rise of 1 foot at Louisville was equal to a rise of 3 inches on the shoal; suppose, moreover, that we call the extreme low water-mark at Louisville zero, and that, in extreme low water, there was 1 foot on the shoal—now, we might place in the water at Louisville a column properly marked and graduated, on one side of which should be written, "depth of water on —— shoal." When the water, therefore, stood at 1 foot above zero on the Louisville side of the column, it would stand at 15 inches on the shoal side; when at 2 feet, then it would be at 1 foot 6 inches on the shoal side, and so on;—in the same way, there might be as many sides or faces to the column, as there are principle shoals, and the depth upon each shoal indicated on its face of the column. Thus, a vessel, in low water, loading at Louisville for Portsmouth, or any other place, would only have to look on the column, to see what water she could carry, how deep to load, what cargo to take in, &c. And thus, water-marks might be set up before every river town, (on the Mississippi, Missouri, Arkan-

sas, or Ohio,) which, at low stages of the rivers, would show the depth upon the various shoals above and below, with great precision, and with advantages to the commerce of those rivers, which are beyond the reach of computation.

It may be said, suppose there is a rise on the shoals below, and not on those above, caused by a flood in one of the tributaries, what then becomes of the accuracy of these water-marks? The answer is plain;—if the vessel meets with *more* water than she expected, it can do her no harm. She cannot meet with *less*, because, at the low stages, (which is the time when these river-marks would be of most value,) a *sudden* fall cannot take place.

We find the newspapers of the various river-towns making it a rule, at low stages of the water, to announce regularly the depth of water in the channel opposite, as a sort of index to the depth upon the shoals above and below. Take the Wheeling and Pittsburg papers, for instance; who has not been struck with the leading places given to such notices as this—"Thursday, 2 P. M., 6 feet water in the channel and rising." These notices are echoed, and reëchoed, by the papers on the Atlantic, because, to the merchant there, as well as to the traveller, the stage of the Western rivers is a matter of great importance. Now, it is not the depth in the channel at Pittsburg or Wheeling, that regulates the draft which a boat may carry thence to Cincinnati, for instance, but it is the depth of the water on the shoalest bars between the two places; and these water-marks would enable those papers to announce, that "boats of such and such draft can now ascend or descend the river—there is a rise of thus and so, on the principle shoals by the river-marks."

All the information necessary for these "river-marks," could be obtained in one season, at a small part of what the "Coast Survey" costs in one year, and then, as to the expense of erecting the proper water-marks themselves, gentlemen can judge better than I can. This, to my mind, is one of those peculiar, but national subjects, that is in every way worthy to be considered before the Memphis Convention.

The New Orleans Bar.

The depth of water at the passes of the Mississippi, is seldom over 16 feet. The importance to the commerce of the Valley States, of giving more water to this bar, is obvious without illustration. The bar consists chiefly of mud and sand, and may be readily deepened. Indeed, I am told that proposals, offering to keep eighteen feet on the bar the year round, for $100,000 the year, have been made to the Government, by responsible parties. A sum—in consideration of the advantages to be derived—wholly insignificant. This, therefore, appears to me to be another of those important general questions, which the Convention may, with great advantage to the public good, pass in *review*. Is it practicable to deepen the bar at the South-West pass? is a question which the government ought to be able satisfactorily to answer.

Light-Houses on the Florida and Gulf Coast.

In my letters addressed, last Spring, "to the people of the Lake Country and Mississippi Valley," I took occasion to call their attention, to this subject, in the following paragraphs.

"The two or three hundred millions expended, since the war, for the common defence on the sea coast, surely does not weaken your claims to have the means of national defence ready at hand, in case of need, on the Lakes. I do not complain, or imply, that the Atlantic States have had too much done for them—far from it; but I do complain, that the Valley States have had too little. It is manifest. As I said, it is seen in little things, as well as in great. I do not call your attention to the forts and castles, to the ships afloat and on the stocks, to the thousands of guns that bristle in "common defence," along the sea shore. They speak for themselves. But I call your attention to other things, such as are not likely to meet your eye, to show that States, when they have the power, are quite as apt as individuals to go for *number* one.

"Where do you suppose the sea coast is best provided with light-houses? Where the navigation is most dangerous, you will say. Far from it. The most dangerous navigation is along the coast of Florida, the turning-point of all your commerce. So dangerous is navigation here, on account of uncertain currents, unmarked shoals and reefs, that there is a large fleet of vessels called "wreckers," whose occupation it is to entrap, as they pass these straits, the vessels laden with your produce, into danger, and then to plunder and claim salvage for what is left. They batten and grow rich upon your losses. The salvage awarded to these wreckers since 1831, has amounted to more than a million of dollars! This is exclusive of total losses and other expenses. The losses are of life as well as of money. Most of them would have been prevented by a few properly-placed light-houses. Now, along this frightful coast, from Key West to Cape Canaveral, a distance of near three hundred miles, there is but one light amidst all its dangers, and that is a miserable floating affair, better calculated to decoy than to warn. Now turn your eye to the coast of Massachusetts. There you find a light-house with its well-trimmed lanterns, at the average distance of every six miles. You see none of those cormorants called "wreckers" there.

"But this million and more of hard dollars, that

you have paid to the "wreckers," does not, with all your losses of shipwreck, make half the damages you sustain. In consequence of the dangers of these unlighted straits, you not only subsidize "wreckers," and pay tribute to the winds and waves, but you are taxed for higher rates of insurance, and, consequently, pay more freight. The yearly tribute levied by wreckers and insurance offices, on the produce of the Mississippi Valley for passing these unlighted straits, would, if collected in one sum, be enough to build up a lane of light-houses on both sides the channel, from Key West to Bemini. I said you pay tribute, and pay it you do, to purchase those exemptions and privileges, which are already yours by solemn compact. It is not the less tribute, because you do not see the tribute money when it is paid."

The mouth of the Mississippi is in these Florida Straits, and, therefore, those whom this Convention represents, have a particular and sectional, as well as a general and national interest in the proper lighting of these Straits.

Light-houses, as I have before remarked, are generally erected, at those places where there are the most petitioners to pray Congress for them, and it is well known, that in times past, there has been no one in Florida, except Tiger Tail, Wild Cat, and a few others of like ilk, to sign petitions. These establishments should be placed where they are most wanted, with or without petition, and the present system, which tolerates a different practice, is a bad one.

Officers of the Navy, men who sail the world around, who live at sea, who represent that class for whose especial benefit these friendly beacons were erected, have, under the present system, nothing to do either with their location or arrangement. Surely, if there be any one who should know where such establishments are most wanted, where they would do the most good, would add most to the safety of navigation, it is the sea-faring man, who has seen, and *felt*, the want of them.

I, for one, should be glad to see the light-houses placed, at least so far under the control of the proper Bureau in the Navy Department, as to make it the duty of the Chief of that Bureau to give them a general superintendance, and to report to Congress, annually, their condition; to recommend the erection of new light-houses, the discontinuance of old ones, etc., setting forth the reasons for and against, and leaving with Congress the responsibility of withholding the requisite appropriations.

As an instance of the "hap-hazard" way in which light-houses have been erected, I might mention the light-house on the Bluff at Natchez, which was kept there for years to the no small amusement of the waggoners. Finally, it was blown down by a tornado, and thus the treasury was relieved of the useless expense.

The Warehousing System and Direct Trade with the South.

Up to the time, when Dr. Franklin dipped his Thermometer in the Sea, and discovered the Gulf Stream, Charleston was the half-way house between this country and Europe. Consequently, the advantages of such a position were calculated to make her the commercial emporium of the New World. Till the time of which I speak, vessels bound to New England, from beyond the seas, stemmed this current, and encountered, they knew not why, tedious progress. And when they made their port, if they were met by a North Wester, as in winter was often the case, instead of running off a few miles, to ride out the snow-storm or gale in the warm waters of the Gulf Stream, as they now do, they stood away to the South for a mild climate, and either put into Charleston or the West Indies, there to land their cargo, or wait the return of spring, rather than again attempt the boisterous approach to our Northern coast, in winter.

This made Charleston virtually the nearest, and, at all times, the most accessible port to British ships in the colonial trade; and Charleston thus became the entrepôt, and was, as I have just said, the chief commercial city of the "Old Thirteen."

Though not producing half so much, as she now does, she did business on a much larger scale, and enjoyed an extensive direct trade across the Atlantic. But Dr. Franklin's discovery, together with other causes, has had the practical effect of shortening, by one half, the distance from England to our Northern cities, while that from the South has remained very nearly the same. Passages to New England, after this discovery, were made in 30, instead of 60 or 90 days. And Charleston ceased to be regarded as a half-way-house on the high-road of commerce.

This circumstance, therefore, was, of itself, calculated to change the course of trade, and to transfer the commercial advantages of Charleston, first to Philadelphia, and afterwards to New York and Boston. A variety of causes have since operated to continue these cities in their commercial ascendancy, but none among them have been more active or effectual, than our custom-house regulations, which have so hedged about the importing business of the country, with unnecessary and vexatious restrictions, that it has very much fallen into the hands of a few capitalists, many of them foreigners, of such wealth, that it is in vain for a Southern merchant to attempt competition.

I propose to show, not only how a fair proportion of the direct trade of the country may be recovered to the South, but how all the Valley States, nay, how all the people of all the States may be benefitted, by restoring the commerce of the country to its natural channels; and this is to be accom-

plished by substituting for our present Custom-House policy, the "Warehousing System."

Under existing arrangements, all goods entering the country, whether for re-exportation, or consumption, are required on being landed, to pawn so much into the Custom-House, in cash. Though they are to be re-shipped from the country the next day, still, the pawn in cash for the Custom-House must be forthcoming. The exporter is entitled to receive, as drawback, or debenture, the amount thus pawned, it is true; but it may be saddled with commissions of various sorts. The Custom-House itself levies a commission of 2½ per cent. upon it, and retains it, without interest, for 25 or 30 days after the goods leave the country.

Now, since the loss of this trade, Charleston and the Southern ports have become the great receptacles of the very elements of commerce. They give to it those vast quantities of surplus produce, and those raw materials, which indicate the greatness and constitute the wealth of the country. Instead of exporting their 282 bales of cotton a year, as they did then, they now send out ten thousand times that quantity. States, Islands and cities, rich with the materials of commerce, and offering us good markets, have sprung up in and about the Gulf of Mexico. These are without shipping, without the means to fetch and carry for themselves—and are dependent upon others to do their trading for them. Charleston and other Southern ports, are the half-way-houses between them and Europe, and are the natural entrepôts for their trade. Vessels from Europe, as they come empty for your cotton, would gladly divide freights with you, and bring, so far on its way, the merchandise for the Gulf Markets; but our present regulations of duties and drawback forbid. As though it were to keep closed this channel of trade, a toll-gate has been erected, by federal legislation, at the bar of Charleston harbor, and a tariff of rates hung up, informing traders from across the seas, if they do but touch there with the merchandise on board for the Mexican, or other foreign market, they must pay cash tolls, in one third of the value of the cargo, to the collector. Is it, therefore, surprising, that Charleston has ceased to be an entrepôt of commerce?

Suppose a body of rapacious law-givers were to enact such a tariff for Memphis, and hang out a statute on the Bluff, requiring all the river craft, as they touched there, on their way to the markets below, to pawn with the city, for 30 days, one third the value of their cargoes in cash. The downward boats would regard this beautiful city, as a plague spot upon the banks of the river, and as they hove in sight, would put their helms a port, and pass by like Levites.

Tolls and taxes, light in themselves, may become oppressive by the manner in which they are levied—but however they become oppressive, tolls have the same effect upon the commerce of the sea, that they have upon the trade of rivers, or the land; and tolls levied in an oppressive manner are the most effectual of all the means, by which rapacious legislation has contrived to injure the business of a city, or sap the prosperity of a country. In all the vessels, crossing the Atlantic in ballast, last year, for the produce of South Carolina, only $3,697 worth of foreign merchandize touched at her ports on its way to other markets! Mobile fared worse: for with an export trade of 10 millions, only $1,459 worth of foreign merchandise touched there. Official returns acquaint us of these facts. How do you account for them? Our system of duties and debentures embarrasses trade, but yields no revenue, worth collecting; it requires the importer only to pawn so much ready money with the Custom-House, which he re-draws again, less 2½ per cent., by exporting the goods. Is not this a toll oppressively levied at the gates of commerce? Were it not for the embarrassments thus created, the political condition of most of the Gulf nations is such, that this very condition, of itself, would force the channel of their trade through our Southern ports. Take Mexico, and a supposed case, by way of example. A merchant has in store, at Liverpool, a cargo of goods for the Mexican Market, worth $300,000. They are waiting for advices, and an advance of prices; he is afraid to risk them in the Custom-House of Mexico, for the condition of the country is no guaranty for their safety. A revolutionary party, or a band of robbers, may break into the Custom-House and plunder his goods, without redress. In New Orleans, or Mobile, they would be perfectly safe, near their market place, and in case of a demand, might be the first to offer. They are paying storage in Liverpool, at all events, and perhaps storage in New Orleans is cheaper than in Liverpool. Here is a vessel going over in ballast for cotton, and would take them at a very low rate of freight. He, therefore, examines our Custom-House regulations, but finds, to his surprise, that before this cargo could be landed in New Orleans, or Mobile, for this purpose, his agent there would have to raise $100,000 in cash for the customs, that the commissions to his agent, in this transaction, would be heavy—that, as long as the goods remain in the country, and thirty days longer, he would be out of the use of his money, and that, when he gets his drawback, it would be further taxed with 2½ per cent. in deduction. Such a *drawback* is therefore felt to be an insuperable difficulty in the way of making American ports the entrepôts of such trade; and the empty vessel, that was coming over for your cotton and other produce, is suffered to come in ballast. Thus, that cotton and that produce alone have to pay freight both ways.

The average rate of duty upon importations is about 34 per cent., or one third their value. The

duties are always in cash, payable on the landing of the cargo, whether it be for consumption, or simply for reëxportation. Hence, none but men of large capital can enter into the importing business; and hence, under this oppressive system, the commerce of the country is virtually a monopoly, and an oppressive one too, in the hands of a few natives and foreigners of overgrown capital. These latter come among us, remain a few years, amass wealth, and retire with it to enrich "fatherland." They are succeeded by fresh partners, who, in turn, pursue the same course. Here, therefore, is a continued drain upon the country, which falls chiefly upon the sea-port towns of the South.

I do not mean to inveigh against cash duties; on the contrary, I would have the duties in cash, by all means; but I would have no monopoly in trade, and as few restrictions as possible upon commerce. The present system makes the importing business of the country a monopoly of the most odious kind. Instead of exacting the duties when the goods were landed, I would let them go into bonded Warehouses, properly protected and secured, and exact the duties only when the goods leave these Warehouses for consumption at home. With such an arrangement, men of small capital could go into the importing business, competition would become more active and goods cheaper; consequently an increased demand, an increased supply, increased abilities to buy, larger consumption, a greatly increased revenue;—all would follow.

The merchant having a capital of $400,000, would not then, as now, have to keep one-quarter of it by him, in cash, ready for the Custom-House, and make $3 do the work of $4; for the country merchant, coming to lay in his assortment, would find it cheaper to buy the goods in bond from the importer, get the transfer at the Warehouse office, and pay duty himself, if he reside near; or, if not, remove the whole under bond, say to St. Louis, or Cincinnati, re-warehouse them there, and pay duties as he withdraws them for consumption. By this course, he would save the commission and interest, which the importer now charges for paying the duties for him. And thus, the consumer would buy cheaper.

How many of my readers can tell how much he paid in duty for the coat on his back? But give us this Warehousing System, then let the country merchant and cross-road store-keeper go to the importer and pay him for the goods, and then go to the Warehouse, himself, and pay the duties on them. Each of them, when he returns and opens his stock, can say to his customers, "So much of my price on this article is for the importer's cost, so much for duty." My word for it, the people would soon find out who it is that pays the duty,—whether the Tariff be oppressive or not; and they would moreover soon let it be known in high places, upon what article—if any—the shoe pinched too much.

The Warehousing System would be simple and economical in its details; it would make the Tariff and its rates of duty familiar to the people. It would, moreover, be eminently republican in its operation. From this point of view therefore, may be seen one of the many reasons why I advocate it.

"The whole is equal to its parts." Upon this and one or two such simple axioms as a foundation, the mind of man has erected in exact and rigid, but beautiful proportions, the imposing superstructure of mathematical science. What this noble science is to the practical astronomer, the science of political economy is to the statesman. But before he can bring it into the most effective use, he requires, first his foundation of simple postulates and axioms, about which there can be no dispute. Therefore, for his sake, and that of free institutions, let this Warehousing System have a trial. For when the village merchant goes to the Custom-House, under it, and pays the duties on the goods himself, he will soon let his customers know how much they pay for prime cost, how much for duty on every article, and in a little time there will be none to dispute with him as to who it is that pays the duties in the regular course of healthy trade. "The consumer pays the duties," would then be an axiom in political economy, that would save the enactment of many a mischievous law. In England, where the Warehousing System obtains, even the coffee-house keepers find it to their interest to go and pay the duty themselves on their coffee, as they withdraw it from the bonded Warehouses, by only a few bags at a time, for consumption. There was much curious information elicited before a committee of the House of Commons, a few years ago, with regard to the coffee-houses of London. In their practice of using their coffee from the Warehouse, and paying duties only on small quantities at a time, we may see how near the actual payment of the duty, and the actual consumption of the merchandise, are drawn together by the Warehouse System, and consequently how much more steady and regular is the influx of revenue under it, than it is possible for it to be now, when, perhaps, half the duties this month are reclaimed six months hence for *drawback*.

Alexandria was once the entrepôt of trade between Southern Europe and the East Indies, and as long as it remained so, it flourished and prospered. But Vasco de Gama discovered the passage around the Cape of Good Hope. This discovery, like Dr. Franklin's river in the ocean, changed the course of trade, and the trade of Alexandria, like that of Charleston, languished and fell. But Alexandria had not the recuperative energies of our Southern ports. She fell to rise no more for ages, while they have become the producers, the exporters, the chief seat of the elements

of commerce. They send forth more than half, if not two-thirds, of the surplus produce of the country. But they send it forth freighted to death, and receive no returning cargoes to make their trade reciprocal, and to give life to their commerce.

The exports last year, from the single port of New Orleans, were $54,000,000;* from the whole country, $100,000,000. The value of the duty-paying imports for the same year, was, according to official return, $84,000,000; and the duties collected on them, $29,000,000. In simple fractions, the average rate of duty is over one-third the value of the goods. Against these $54,000,000 of exports, New Orleans imported goods enough to yield a revenue of only $1,600,000 to the customs. According to the above rates, the value of these goods was therefore $4,800,000. Now, supposing these imported goods to be as bulky as the raw material sent out from New Orleans, (which is by no means the case,) it appears that ten vessels out of every eleven that came across the sea, for this Southern produce, came empty, and therefore this produce had to pay the frieght both ways. It is true that some vessels came with cargoes from New York and Boston, and brought dry goods, furniture and iron, but this only shows that as far as the foreign merchandise was concerned, New York, Boston, &c., did the importing for New Orleans.

Charleston and Savannah, Mobile and New Orleans, from their geographical positions—from the immense supplies of raw materials, which flow through them into the channels of commerce—from the circumstance, that none of our neighbors bordering on the Gulf are a maritime people—from the circumstances we are considering, too, those neighbors cannot fetch and carry for themselves, and that this we can do both for them and ourselves: Taking into view, I say, all these circumstances, with the commanding position, and the commercial energies of the country, these four cities are in a situation to command the trade with all these people, and to make it regularly pass to and fro through their bonded Warehouses. But the operation of the present system, so far from facilitating these cities in the acquisiton of such benefits and advantages, actually throws obstacles in the way and prevents their enjoyment of them.

So far from bringing business to those places, our Custom-House statutes actually drive it away. Take the case of the Republic of Texas, (and I cite this case in illustration, because I suppose there are in the convention, many who have seen the operation of our present system, aye, and felt it too, as it regarded her trade through New Orleans and therefore can correct me, if I be wrong:)

None but small vessels can enter the ports of Texas, by reason of her shallow harbors. Freight by small vessels is much higher than in large: consequently the Texas planter, by reason of the geographical position of New Orleans, and other conditions to which I have just alluded, found it convenient and natural to send his cotton to that city for shipment abroad; now every one knows that never, since Whitney's invention, was there a pound of raw cotton taken to New Orleans for consumption; nevertheless, present Custom-House enactments required that Texas cotton, which thus came to New Orleans in the way of business, should pay into the Custom-House 3 cents the pound in cash. It was immaterial, though the Texas merchandise was not landed, but transferred right from the schooner which brought it to the ship which was to take it away, the 3 cents per pound had to be raised, and paid into the Custom-House, simply that the Custom-House, at the end of some 30 days, might pay it back again. Now suppose the Texas planter to have sent 1000 bales of cotton to New Orleans for transhipment. He, it may be supposed, was in want of the proceeds, and wrote to his factor for an advance upon it. But the latter informed him: "Your whole crop is worth, at ruling prices, but 4 cents the pound, or $20,000, and I have to raise $15,000 in cash for the Custom-House. My commissions upon this are considerable, and though you may claim it as drawback, 20 or 30 days after it is exported, then it will come without any interest in the mean time, and the Custom-House has still farther claims upon it of 2½ per cent, for keeping you out of it so long; therefore, I have but a small margin for advances to you."

But the planter replies, "My negroes are in want of clothing, send me, therefore, some coarse woollens—[suppose, for the sake of illustration,] of English manufacture."

"These," the factor replies, "are loaded, like your cotton, with cash duties and the deductions and delays of debenture, consequently, there are but few in market, and prices rule high."

But this is not all; suppose the Texas cotton just to have arrived and not yet to be landed. The factor samples it and says to the merchant, "You are buying; such cotton as this commands readily 4 cents: give it; it is Texas cotton, and then you can pay the duties and claim the drawback yourself."

"Ah! if I have to pay you $20,000 for the cotton, and $15,000 in cash, besides, to the Custom-House, you must take ½ par cent less in the pound."

Thus, this system oppressed the stranger as well

*In this estimate are included the cotton and other produce which went to New York, and were *cleared* thence to foreign markets. Hence they appear on Treasury accounts as exports from New York. Custom-House returns credit New Orleans, with only $30,000,000 of exports to foreign countries; but it is clear that cotton, etc., exported from the North, should be credited to the South. During the year ending the 30th June, '44, Massachusetts exported $6,000,000 and imported $20,000,000. Whereas, Alabama exported $10,000,000; but imported only $400,000! Thus Massachusetts imported for Alabama.

as the city, and was forcing Texas, which naturally was as tributary to New Orleans as Arkansas herself is, to cast about for new channels of trade, and to throw herself into the commercial embrace of that great boa constrictor of the ocean. The expediency of building large iron vessels of light draft for the ports of Texas, had already begun to be mooted in England, and had not Texas been annexed, our vexatious system would have estranged that people from us, and lost New Orleans all the advantages of trading for her people, and transacting her commercial business.

It is a curious thing, and an anomaly to me, to see the efforts which the public spirit and enterprise of hundreds of cities, towns and hamlets in the country, are making, each to "bring business to the place;" and then to see the stoic air with which the citizens of many of these same towns take their stand, and countenance government in driving away their "business," by its Custom-House policy.

Boston, New York, Philadelphia, Baltimore, Washington and Richmond, each has spent millions in rival schemes, with the view of "bringing business to the place." New York opened her canals to the Lakes. Boston saw the aggrandizement of her sister with these new sources of trade, and tapped them midway, at the cost of millions, if perchance she might divert a portion of this business to her own wharves. Philadelphia sought to draw trade from the Ohio river, with her Rail Road and Canals. Instantly Baltimore, Washington and Richmond, each at the expense of millions, stood forth as rivals by Rail Road, or Canal—nay, this Convention itself is called upon to consider the Charleston and Memphis Rail Road.

Why are the people of Charleston ready to loose their purse-strings, and to strain every nerve for this improvement? If this question were asked by any sane man in the streets of Charleston, the answer would come from a thousand tongues: "Because it would bring business to the place." Suppose this road were completed, and that the general government had the power to say, and were to say, that all the produce arriving in Charleston, over it, should pay one third its value into the Custom-House, there to remain until such produce were sold or exported. Such an outcry as the South never heard, would come from the land of chivalry. Yet precisely such a thing does the government say, with regard to the produce that comes from across the blue water. It is immaterial from what quarter the business comes, whether by ship or car, from beyond the ocean or the mountains, it is equally important, and when once possessed is as much valued.

Enact into wholesome operation this Warehousing System, and the Rail Road, despite opposition, will follow. One branch of business begets another. The effects of commerce are like a circle on the water; its ramifications and its influences are vast and extensive. A vessel goes to Charleston now, she must take cotton and a little rice, or nothing at all, and then, with this cargo, instead of having "Cowes, the whole world and a market" before her, she must go to one or the other of a few particular ports, to neither of which, perhaps, she wishes to go, on account of some arrangement already existing, or in contemplation. Now a City cannot carry on an extensive commerce, unless she have a variety of merchandise, any more than a country grocer can do a large business without an extensive assortment.

I have shown how Charleston might become the entrepôt, for a large portion of the trade from Europe, to the West Indies and the Gulf Republics. The vessels that would carry on this trade from the Warehouses of Charleston to the West Indies, would, on account of the advantageous position of that city, taken in connexion with more moderate freights, and the trade thence to Europe, come back with assorted cargoes of West India produce, to be bonded in Charleston and distributed thence to the various marts of Europe. Indeed, I should not be surprised, in a short time, to see Carolina cotton ballasted with Havana sugar, as the New York packets now are with Cuba ores. A ship now sails from Charleston, or New Orleans, with a cargo of cotton; she must therefore be at the expense of taking in a large quantity of stones, called shingle ballast, to steady the ship; when she gets the other si e, perhaps she is offered, for freight, a cargo of iron; her shingle ballast, which has cost so much, is now in the way, and must be got rid of at some further cost—and it would have been cheaper for her and the planter to have ballasted with Havana sugar, and other heavy articles, at the mere charge of taking in and putting out. Nay, so important is this charge of ballast, that we often see cotton vessels of New Orleans carrying Missouri lead to Europe, *free of charge*, because it saves the expense of buying ballast. If, therefore, West India rum, sugar, tobacco, etc., were allowed to be landed in these Southern ports for reëxportation, free of Custom-House charges, we should find our cotton, and other staples, drawing after them many other articles of trade from various quarters.

The merchants of the South, like the nobility of Ireland, are, for the most, non-residents. At the season when the Southern staples are coming to market, these flock there from all quarters. When the crop is disposed of, they return whence they came, with their gains in their pockets; and thus, a continued drain is kept upon that country. Let the Warehousing System fill your Southern store-houses with bonded merchandize, this will "bring business to the place," and attract the Southern and Western store-keepers to them for their supplies. The Southern merchant will then find it to his interest to fix his abode perma-

nently in the South, and instead of carrying his profits away, will remain there, to spend his money among you.

Some suppose, that if the Warehousing System were adopted, the Government would have to incur the enormous expense of erecting the Warehouses. No such thing. This should be left to private enterprise, and the rates of storage should be a matter entirely between the importer and the owner of the store. What business is it of the Government's what storage, any more than what freight, the merchant pays on his wares? The Government should have no more to do with that, than with his house-rent, and ought not to be any more bound to provide storage for my goods, than wharfage for my ships. All that is required, would be a law, setting forth the safe guards with which these Warehouses should be provided, and making it the duty of the collector to license only such. When the goods are landed, double locks and keys should be placed upon them, the collector taking charge of one set, the owner of the goods the other, so that the store could not be entered without the knowledge of both parties.

I have laid great stress upon the revolution to be effected by the Warehousing System, as it regards the course of trade through the ports of this country.—I judge from what this system has done for England. By it, she is enabled to export largely of the produce of the whole world. She exports more of our tobacco than she consumes; she exports raw cotton, flour, and all the great staples of commerce, none of which she produces. This gives employment to her ships, and aggrandizes her commercial marine, at our expense.

Formerly, if a Western farmer wanted to send a barrel of pork to the British West Indies, he sent it to Halifax, that it might be taken thence, in English bottoms, to its place of destination. This gave employment to English shipping. But the Warehousing System has been brought into such complete and successful operation in that country, that English ships no longer require this roundabout protection, but are openly competing with our own for the carrying trade, even of this country. Nay more. By this admirable system, she is now enabled to fetch wheat from abroad, land it in Ireland, manufacture it, in bond at home, and undersell the Western farmer in those markets, which nature has placed at his very doors.

I extract from a recent No. of Wilmer & Smith's Times, by which it appears, that the Irish miller is enabled to undersell the Western farmer, in the West India Market, with flour manufactured of the bonded-wheat from English Warehouses.

EXPORT OF FLOUR FROM IRELAND TO THE WEST INDIES.

"We have seen a letter from a house at Cork, from which it appears, that flour is at present shipping to some extent, from that neighborhood to the West Indies, on terms which enable the shippers to compete successfully with the Americans. The following is an extract from the letter in question:

"'A few of our millers have been working to some extent at barrelled flour, for export to the West Indies, within the last few months; and I do not despair of seeing operations of this nature form a very important feature in the milling trade, under the advantages held out by the Grinding-in-bond Bill. At present, flour can be sold here free on board, to the West India merchant, at a price which will leave him a fair margin for profit, and enable him to undersell the Americans in *most* of the Islands. I can speak positively of Barbadoes. One firm connected with that Island has lately purchased 1,500 barrels, from a miller in this city. At first, of course, there is some little difficulty and prejudice to overcome; but in good harvests, there is little doubt of the Irish millers being able to cut out the Americans, as it goes in free of the imperial duty, and freights are less from Liverpool, or this country, than from the United States. The flour already sent out from hence, is considered, in Barbadoes, much superior to the American manufacture.'

"Of course it will be understood, that the flour so exported is made virtually from foreign wheat, the price of which is often low enough to enable the English or Irish miller to compete with the produce of the United States; especially with the difference of freights arising from the fact, that under ordinary circumstances, many vessels leave England in ballast for the West Indies, whilst American vessels generally earn their freight principally by the outward voyage."

This is not the only startling fact presented, in consequence of the English System of Warehousing goods of all sorts.

Why is it, that English vessels can double the "Stormy Cape," go half round the world to Bombay, and bring back cotton often at lower rates of freight, than the Southern planter pays across the Atlantic to England? Simply because the well-stored bonded Warehouses of England, with their great variety of merchandise, from the four quarters of the globe, enable her ships to load both ways, and our Custom-House policy denies ours this advantage.

The consummate statesman at the head of affairs in that Island, is head-reaching us with his commercial policy, and forcing us to to contribute largely of our substance to the support of the shipping interest of the realm.

You have heard it said, that American ships are losing the carrying trade of the country; and the Custom-House returns just published show, that, during the last year, there entered our ports from Canada and New Brunswick alone, upwards of 4,000 sail of British shipping. What did they bring? Where is the trade with these provinces to give employment to such a fleet?

I have examined the treasury records, to find out the value of the merchandise imported thence in foreign vessels; it is worth only half a million, which gives, on an average, for each vessel of this

fleet, a cargo of the value of $125. Now, these 4,000 sail of shipping came, for the most part, empty, either across the Lakes or the Ocean, and under the superior advantages of the commercial code of England, for the produce of that teaming region, in the midst of which you are. They were manned by 40,000 British seamen—for whose pay and subsistence, England, by the help of the restrictions, imposed upon the commerce of the country by our own legislation, manages to tax you and those whom you represent in this Convention. And thus it is, I say, we are head-reached in the commercial code, and made to contribute to the aggrandizement of our chief rival, at the expense of our own commercial and naval resources.

Considering the abundance and cheapness of building materials in this country, the superior character of our ships as sailers, the acknowledged skill of American navigators, it would seem to require no small degree of statesmanship to enable 5,000 British ships, (for that is the total number entering our ports in a year,) to force their way into our trade, and to throw upon our people and commerce 60,000 British seamen, for pay and subsistence. And it has been done chiefly in this way:—our ships have been taxed up to the eyes, for every article, from the truck down to the keelson, for the protection of "home industry," as it is called; while the English ships have been taxed for nothing, but have been *protected*. Sir Robert Peel has said to the British ships, roam the world, and buy where you can buy cheapest. The bonded Warehouses of the realm are well stored with articles of all kinds for ship's use,—take, free of duty, all that you require for your *own* use, and thus, you will be enabled to fetch and carry cheap.

On this side, the ship is taxed 108 per cent. on her iron; 42 per cent. on her cordage, as much upon her sails, and so on, at like rates, upon every article of her outfits and stores. Thus taxed, she is sent forth, at fearful odds, to compete with the Englishman. John Bull could wish for no greater advantage.

I do not wish to broach the vexed questions of protection, or to excite any but a national feeling in this Convention, but it does appear to me, that if there be any interest, which can be favored with obvious benefits to the whole country, it is its shipping interest.

Suppose the Warehousing System were adopted, and in the necessary amendments to the Custom-House laws, there were inserted a clause allowing our ships to take from the Warehouse, duty free, any chain or rope, cable or anchor, and every article of ship chandlery required for her *own* use. This would make her cost of outfits, which have to be frequently renewed, only $10,000 or $15,000, instead of $20,000 or $30,000. Therefore, the sailing of an American ship would not be nearly so expensive as it now is, and, therefore, she would carry cheaper for the producer, and fetch cheaper for the consumer; and thus it would be a protection, a profit and advantage to *all* the people; she would successfully compete with her foreign rival, and throw upon him as England does now upon us, the cost of protection, by driving him from the trade. Nay, there would be another advantage in this kind of protection:—It has been the settled policy of the Government to encourage nurseries for seamen. For this we pay bounties to fishermen; for this the Navy supports its apprentice system. This is cheaper and better, broader and more general, than either, and it is a link in that admirable system of national defence, which would give us great strength and ability in war. I hope, therefore, that the Convention in its action upon the Warehousing System, will also express an opinion upon this question. In this country, public highways are free—the duties are remitted to Rail Roads on their iron, that they may transport cheap—ships are the highways that lead across the seas; and there seems to be as much propriety in remitting duties on the articles necessary for their use, as to Rail Roads.

Besides this contingent of 60,000 seamen to the commercial marine of Great Britain, our rival draws from us yearly a contingent in money, which is levied upon our ships and paid by our produce, in the shape of light-house duties. A large portion of this comes out of your pockets.

Here and in all countries except England, the light-houses are supported out of the public treasury, and the English vessels in common with all others, have the free use of them. In England, the light-houses belong principally to individuals and to a corporate company, known as the Trinity House. Our vessels entering an English port, whether by day or night, in clear weather or fogs, are held bound to see so many lights, 20, 30, or more, as the case may be; then they are required to pay for each light, so much per ton, ranging from ½ cent, up to two or three, per light, for every ton the vessel measures, which, in some cases, amounts to two or three hundred dollars, all told, for the vessel. So oppressively do these light-house duties operate upon traders, that there are well-authenticated instances in which vessels being forced upon the English coast, in distress, have attempted to brave the tempest, and have been lost in the attempt, rather than incur these heavy fees. In case of refusal to pay, the cables and anchors may be distrained and sold within three days. The nett receipts of one private light-house, amount to from $50,000 to $60,000 a year; at least, they did a few years ago, and I presume do yet. The nett proceeds of all the English light-houses, are nearly double the cost of maintainance; and are divided in various proportions between the owners and the Crown. Now, suppose that every British vessel coming on our coast, were charged at this rate for the use of

our lights, while our own vessels used them free, as they now do. This would give the latter a decided advantage in the carrying trade. I have no means of knowing the exact amount, but am induced to believe, that the sum levied annually in England, upon the New York packets for light-house dues, does not fall far short of $50,000.

Unless treaty stipulations forbid, I would either have this contingent abolished, or retaliate by exacting similar dues from British shipping.

In the commercial race between the two countries, close calculations are necessary and we are not in a condition to give advantages.

But to return to the operations of the Warehousing System: It would benefit the South more than the North, still it would offer some advantages to New York. Under the debenture bill of Mr. Pratt, passed by the last Congress, New York will probably import to some extent for Canada, but under the Warehousing System we might expect to see New York become the entrepôt for a large portion of the trade of Canada West, and thus the city, the revenues of the State and the business of her canals would be materially benefitted. When the Ship Canal to the Lakes is finished, New Orleans, indeed, might compete with New York for this trade, and success would resolve itself very much into a question as to the rates of freight up the Mississippi to the Lakes, against freights and tolls through the New York canals.

The Warehousing System has been used in England for more than forty years. During that period, experience has suggested many important alterations and improvements. We may have the benefits of all that experience, and of those improvements, and bring the system into operation here, with all its present beauties and perfections.

I think I have shown conclusively, that the Warehousing System would lessen the rates of freight, upon an important and large class of our produce and, therefore, benefit the producer to that extent. If this benefit after a time should cease to fall exclusively to the producer, and ultimately inure to the foreign consumer, the necessary effect would be by cheapening, to increase consumption, and consequently to call for increased supplies. As I have said, that ultimately, (and by ultimately, I mean after a trade has been well settled and established,) consumers pay all duties and charges—*e converso*, it follows that consumers get the benefit of reduced charges. Reduced cost and charges upon goods from our country, may be such as to diminish production of similar articles in another, *pro. ex.* cotton, New Orleans, Bombay. In which case the producer in Mississippi might retain or recover a part of the advantage.

In this view of the system, it would lead to the very aim and object of republican government, by securing the greatest good of the greatest number. And in this view, I defy the most captious to offset its advantages, with objections founded either in fact or in reason.

An important question for the country, and to the people of the valley, is the Warehousing System. It should, therefore, be fairly presented and fully discussed.

I have not the time, nor the ability if I had the time, to do this. In conscious want of power, I have called for help, on a friend in whose judgment I have confidence, and whose counsel I often seek. Well acquainted with the operations and practical effects of the Warehousing System in England, he has been actively engaged with the business of commerce in this country, and that from his youth up until now. His views are, therefore, entitled to more weight than my own, and I recommend them to the most attentive consideration of the Convention. I challenge the opponents of the system to detect in them, either error as to fact, or fallacy as to deduction. Nay, more, if to the mind of the Convention, there shall be started so much as one well-founded objection, which any intelligent man, at all conversant with the subject cannot successfully meet and set aside, then I will acknowledge the whole scheme to be fit only for the land of Utopia, and will henceforward maintain that the direct trade of the South can be conducted only by phantom ships and "Flying Dutchmen."

"It may well be questioned," says my friend, *Currente Calamo*, "whether the present mode of collecting duties, viz., requiring their payment in cash, before the goods are landed—is not practically more injurious to the trade and navigation of the country, than the mere duties themselves, exorbitant and unreasonable as they are in many cases.

"The old credit system of duties, was dangerous to the revenue, and, in some respects, injurious to the merchant; therefore, I hope it may never be revived; it was however beneficial, in some degree, in facilitating commerce, as the present system is beneficial in securing actual payment; but all the advantages of both are attainable, and all their defects may be avoided, by the adoption of the Warehousing System, combined with cash duties.

"It is astonishing, in the abstract, to any one conversant with such subjects, that the plan of cash duties should have been introduced without the Warehousing System. My impression is, that the latter would have been adopted long before the present Tariff came into operation, but for the opposition of some influential men, who wished, for their own purposes, the continuance of credit for the duties; for, in many cases, the credit given, furnished, when importations were successive, a large and constant capital to the importer; being neither more nor less than so much money borrowed by him, from the Government, upon mere personal security.

"When the time for the present Tariff arrived, the finances and credit of the Government were in disorder, and the revenue insufficient, and there had

been several recent cases of duties being lost, by the failure of the merchant, and of the security, who had signed his bond. A Secretary of the Treasury, at such a time, might well wish to ease his mind by grasping the duties without delay; and, turning a deaf ear to the Warehousing System, or any other that might retard the receipt of the cash, affect to consider it dangerous to the security of the revenue :—nay, one of them was so pushed for a reason, that he said he thought it unconstitutional!

"Some being influenced by one pretext, some by another. and the high Tariff party, seeing clearly enough, that the requirement of cash duties, at the ship's side, would be such an obstacle to business, as to be equal to an additional duty, the cash-duty plan, with drawback upon exportation, was enacted: the offspring of circumstances, cradled by a Secretary's fears, nursed by ignorance, and dandled by the high Tariff party.

"And afterwards, as if to kill it dead for the future, we had, in January, 1843, the Report of Mr. Kennedy, from the Committee of Commerce, upon the Warehousing System. This report speaks of the system, as a 'question so purely experimental,' when it had been, in fact, in operation in England, for *forty years*. It seems to complain that the system, in England, is not superior to navigation laws and commercial treaties, and pretends that such an over-riding system is what the petitioners to Congress desire in this country. It describes it, in England, as a mere 'scheme, ingeniously constructed, to promote the employment of British shipping, and enlarge the market for British manufactures, extending a most salutary protection to both, and guarding both against all injurious competition.' I wish we had such a scheme here, as injurious as this Report represents it to be. The country, I am sure, would be well pleased with an almost verbatim copy of the laws establishing it.

"It further alleges, that 'the growing importance of the South American States,' was a 'leading inducement,' to the adoption of the system. But what such States were there in 1803, when it was established?—four, or three, or two, or one, that could be so considered for purposes of trade? Certainly, if they were growing *then*, they must be enough grown *now* to make it worth *our* while to be looking after their trade.

"Again: we are told that 'the privilege of entrepôt is confined to Liverpool, London and Bristol,' and we are led to suppose that all East India goods, a great variety of West India and a quantity of others, can only be warehoused at these ports; while the fact is, that at London, Liverpool, Bristol, Hull, Greenock, Leith, Port Glasgow, Belfast and Dublin, goods of every description, importable into the Kingdom, can be Warehoused from the ship, direct; and that at these ports and at Cardiff, Dover, Exeter, Gloucester, Goole, Lancaster, Newcastle, Aberdeen, Perth, Cork, Limerick, Londonderry, Waterford, and a dozen or two of other ports, (but I name these to show how unimportant many of the places are,) East India goods, and a variety of others, which we are led to suppose are excepted, are allowed to be Warehoused. Besides this, many descriptions of goods are sent under bond from the ports, to be lodged in bonded Warehouses, at places in the interior, just as we might, if we had the system, send goods for the Canada trade, to be Warehoused at Oswego, Buffalo or Detroit; or from New Orleans to St. Louis, or Independence, for the Santa Fè trade; I trow, if a Santa Fè trader could lay in his stock from the bonded Warehouses of St. Louis, or Independence, the trade would be more likely to increase.

"But to finish with the Report; I should describe it as ingeniously constructed, to mystify a subject which is very plain and intelligible, if correct sources of information are resorted to—and I will close by copying the only paragraph in it, that strikes me as worth it: 'There was one cause of excess, which the Committee,' (who had been cudgelling their brains about excessive importations, as if Congress had any more business to legislate against over importations, than over manufacturing, or over planting,) 'acknowledge was referrible to the mode of paying the duties—it was the credit on them, given by the Government—a measure which, it is said, enabled the foreign importer often to trade upon the capital thus furnished him, after he had actually sold his stock, and obtained possession of the proceeds. In view of this encouragement to excessive importations, as far as it goes, the Warehouse System is certainly preferable to the former mode of giving the credit.'

"It may be said, that the present system works well and the country is flourishing. Thank God, it does flourish; and probably it would flourish even under more careless and injurious Legislation, than we are now complaining of. The people have energy enough to accommodate themselves, by degrees, to circumstances; and if it were to be enacted to-morrow, that no man of less than 6¾ feet high should be allowed to import dutiable goods, we should probably find a fair number of such importers in full operation, two years hence, if we had even to fetch them from Patagonia. The question is, not whether the present system can be tolerated without putting a stop to foreign trade, but whether it is just, reasonable and desirable—in short, whether it is the best that is practicable. This is a plain view: the Government taxes certain goods, no matter whether for protection or revenue; this tax is not intended to fall upon the merchant for importing them, nor upon the goods because they have arrived at New York or New Orleans, but because they have gone *out of the control of the Government, and into consumption.* The Government must be secure that they do not

go into consumption until the duty is paid, and it can be secure by having custody of them until that time, or in other words, by the Warehousing System. Besides, it is the correct principle of taxation, that the tax should be secured at the least possible expense and risk to the Government, combined with the least possible inconvenience to the tax payers—or, what is the same thing, to the consumers. That the tax is not upon the goods, but upon the *consumption* of the goods, is conceded by the repayment of it, when they are exported to a foreign country, or as it is called, by paying a drawback or debenture to the exporter; why then should the duty be demanded before the goods are wanted for consumption? But in paying back these duties by drawback or debenture, the Government retains 2½ per cent, and repays only 97½, professedly in 18 days after exportation, (here in New York,) but generally in not less than 25 days. Why 2½ per cent or anything should be retained, I know not; the only at all plausible reason I ever heard, is to pay something for the trouble given at the Custom-House, but if this reason is worth any thing, it ought to apply to tea and coffee and all other articles that are duty-free. I must, therefore, conclude that it is a practice not founded in reason at all. It is certainly injurious to our export trade and our ships.

"Another concession on the part of the Government, that the duty is not on the goods, but upon their consumption, is to be found in the circular of the present Secretary of the Treasury, allowing goods to remain beyond the usual time in the "Public Store," because the late fire in New York has fallen heavily upon the importing interest—but a word here, as this sounds a little like a Warehousing System. When a merchant does not wish to pay his duties before landing, he abstains from entering the goods, and the ship, losing patience at the delay, gets the Custom-House to land the unentered goods and deposit them in the "Public Store," and if they remain there unentered beyond a specified time, the collector sells them by auction, in order to obtain the duty for the Government, and the charges for the "Public Store."

"At the time of the bank suspension, we all remember how the Government postponed the payment of duty bonds for a certain time, to lighten the pressure of the money market upon the importers—why? not because of the mere pressure itself, but because the payment of the bonds under such a pressure prevented the buyers for consumption from buying as usual,—it *prevented the goods going into consumption.*

"And after the great New York fire, some years ago, the payment of the bonds was postponed, and I think, in some cases, the duty actually remitted; the fundamental reason was, that the goods had been burnt, and *had not gone into consumption*; and, therefore, the Government, although legally entitled, was not equitably entitled to the duty, because other goods would be imported to supply the place in consumption, which the burnt ones were intended to have filled, and the Government would receive duties twice over, upon a portion of the consumption of the country, which, of course, was never intended to be the case. The Government said at first—the law is thus, and we can grant no indulgence; besides, the importer ought to have covered the duties in his fire insurance. The importers replied, we did insure the duties as a part of the value of the goods, but the fire was so extensive, that the insurance companies are ruined, and unable to pay us; we took all reasonable care to protect ourselves, and as the ordinary consumption of the country was yet to be supplied by fresh importations in place of those burnt, the Government would lose nothing by remitting the duty;—it merely would not gain by the calamity of the city of New York; besides which, if the Warehousing System had existed, goods burnt in a bonded Warehouse are never charged with, and would not have been charged with the duty. Well, the equity of the case, or in other words, *the principle that the duty is not on the goods, but upon the consumption of the goods*, prevailed to a greater or less extent, and an indulgence, which under a Warehousing System would have been unnecessary and unasked, was granted. And what was the consequence? I reply, FROM THE BEST AUTHORITY, that the defalcations of Swartwout and Price had their origin in the confusion, which these postponements of duties caused in the Custom-House transactions. We, therefore, know exactly how many hundred thousands of dollars the Government lost by its adherence to an injurious, unsafe, irrational, and unnecessary mode of collecting duties, in the two cases at least. How much it has lost by debenture frauds, I do not pretend to say; but not a trifle, if we knew all.*

"I do not see what objections can be made to the Warehousing System now. The state of the revenue and of the credit of Government forbid any timidity on the part of the Treasury,—the great profits of our home manufacturers ought to prevent any unnecessary alarm in that quarter, and the probable revision of the Tariff makes it particularly desirable, that the Warehousing plan should be introduced without delay, as a preliminary to any alterations in the rates of duty, in order that all necessary changes may be made thereafter, without agitating and embarrassing the foreign trade of the country.

"The present system, by requiring immediate,

*The reader may observe a striking resemblance between certain parts of this letter and some remarks by Americus South, in the September and August No.'s of the Messenger. It is proper to observe, that Americus South, in drawing up his remarks, had the benefit of these notes, without the knowledge of my friend.

sudden and large outlays of money for duties, tends to drive men of moderate capital out of the importing trade, and to throw it into the hands of a few capitalists, (thus leading to monopolizing speculations,) and to induce wealthy foreign Houses to establish Branches in New York, to take the business from the natives of the country. It swells the gross receipts and payments at the Custom-House, causes greater fluctuations in the monthly receipts of revenue, than if duties were merely paid when the goods pass out of the custody of the Government for consumption; increases risks of loss and chances of defalcation and fraud; creates unnecessary uncertainty as to estimates of probable revenue; and by reducing the stocks of high-dutied goods inexpediently low, nips in the very bud the export trade in foreign products, causes unnatural and injurious fluctuations in prices, and needlessly exposes the necessaries and comforts of life to the control of monopolists.

"The proposed, or Warehousing System, has stood the test of 42 years practice in England, has secured the collection of the revenues, benefitted the navigation and commerce of that country, and insured more uniform prices to the consumers of foreign produce. Much as I have been in the way of such things, I have never heard of it being found fault with there, except by some of the Landed interest, high Tory party, and that some years ago, under the pretence that wheat was smuggled into consumption from the bonded Warehouses, but really, because the existence of stocks of bonded grain and flour, ready to be entered for home consumption whenever prices advanced sufficiently, allowed the grain growers less time to profit by famine prices, than if the foreign grain had not been already on the spot, but had to be imported from abroad to meet the scarcity.

"Probably the grain already in bond was imported by the merchant, because he had anticipated some scarcity; and if so, his act prevented, to a certain extent, the necessity of the consumer paying famine prices, and so effected a great saving of money, and perhaps of suffering, to the consuming class. But perhaps he merely imported it because he had a ship at Dantzic, which must otherwise have returned home in ballast, and the price being extremely low, he thought it a safe operation to load her with wheat, and take all the chances of demand in England for home consumption or exportation. If he had been obliged to pay any cash duty on arrival in England, such as our duty on iron, which is fully 100 per cent., or even a duty of 10 per cent., his ship would probably have returned home in ballast, for he saw no probability of early scarcity, and it might well have appeared to him both hazardous and inconvenient to make an outlay of cash for duty, on an article for which he might not find a demand at saving prices for months. But he brought the cargo and Warehoused it, and other merchants probably did the same. In 6 months an unforeseen scarcity arose, and many orders were despatched to the Baltic for wheat—but they were limited the lower in price, because of the ten millions of bushels already in bond and known to be on the way. And the Russian, and the Dane, also, had their eyes upon the bonded stocks, and supplied the orders 10, 20, and perhaps 30 per cent. lower, because of the stocks in the bonded Warehouses of England. But small indeed would those stocks have been, if our system of collecting duties had existed there. In this case, that country saved immensely by its Warehouse System, while, at the same time, its commerce and shipping, and consuming class were benefitted. Who can estimate the millions of money which the consumers of England have been saved, in the last 20 years, by the operation of the Warehousing System! For it has this advantage in a remarkable degree, that it renders a country more independent of the fluctuations of price at the place of production, by enabling the importer, (and if you please the dealer also,) to keep large stocks on hand to meet emergencies, and by inducing him to purchase freely in the foreign market whenever he can purchase cheaply, even without any particular prospect of early or good demand at home.

"But by our present system, the merchant is, as it were, punished for his enterprise and providence, by being condemned to pay cash duties on produce so purchased, before he can land it; he is, therefore, unless a great capitalist, very wary of *buying merely because he can buy cheap.* Hence, and it is a matter of notoriety in trade, whenever the sugar crop of Louisiana is shortened by an early frost, we have to pay almost any price that the West Indians, who know our necessities as soon as we do, choose to exact.

"The duty on tea in England is 2*s* 1*d* (50 cents) per pound, the annual consumption between 40 and 50 millions of pounds weight, and the stocks in the bonded Warehouses there, by an account received by the last steamer, about 40 millions of pounds; and the bonded stocks of sugar, coffee, rum, and other high-dutied articles are also large. Aye, and of cotton also, even at the low duty of $\frac{3}{8}$ths of a cent per pound, (which duty, however, was entirely removed last spring,) large stocks were always kept in bond; first, because the importer might not wish to sell, and, therefore, was unwilling to advance even this small rate of duty unnecessarily; and secondly, because he might wish to export it, or might expect, from the diminished stock in some continental market, that he would ere long find favorable opportunity of selling it for exportation. And under this simplifying Warehouse System, a duty once paid is never refunded—there is no debenture system with all its complexities and risks to the revenues—no payment of duty on a cargo of produce this week, to be refunded a

month hence, when it shall have been exported. No. The importer Warehouses his cargo, the exporter purchases any part of it that he wants, and it is exported, without the passing or repassing of a single cent of duty, or debenture, at the Custom-House. Now, cotton is duty free in England, and of course quite as well off, as regards its exportation, as it was before. Let us see what a pretty little trade Great Britain has driven in the reëxportation of cotton.—In 1842, she sent off 138,000 bales; in 1843, 121,000; in 1844, 147,000; and in the first seven months of 1845, nearly 90,000 bales. In the same seven months, she has also exported, from 3 or 4 places only, to foreign ports, about 4,000 tons of coffee, 5,000 puncheons of rum, 18,000 tons of sugar, 1,500 tons of pepper, 7,000 tons of rice, &c., &c. The stock of tobacco of our growth in the bonded Warehouses of Liverpool and London alone, was about 34,000 hogsheads on 1st August, 1845, (and this crop, growth 1844, had scarcely begun to arrive there,) the annual consumption of England being less than 20,000 hogsheads; what cares she, with such a stock, if half our crop is destroyed? We can't force her to pay famine prices for tobacco, unless the famine is of long continuance; already has she responded, by the last steamer, to our accounts of the growth of last year proving small, and of the prospects in Virginia being desperately gloomy for the growing crop, in consequence of the drought, "the stock here is so large, that you must not expect any material advance in price, until you have three deficient crops in succession." But if the duty, instead of being about 75 cents per pound, payable on delivery for consumption, had been 1 cent, payable on arrival, she would have had no such stock, and have sent us a very different response. As it is, having a Warehousing System, she becomes a depôt for our tobacco, and has an annual export trade in it of 10 or 15,000 hogsheads—consequently, her docks and warehouses, coopers, porters, draymen, merchants and ships, have an amount of employment and profit, which they would not have under a system of duty regulations like ours.

"I have stated the stock of tea in England—about a year's consumption. If the duty here was 10 cents per pound, payable on arrival, our stock would probably be less than half our annual consumption. Then, suppose a quarrel in China, and her ports shut, consumers in the United States must suffer more than consumers in England. Again, under such a duty, or a larger one, the stocks would become small, because even wealthy merchants would not willingly hold large stocks, and the less wealthy would be driven out of the trade by the inconveniency and difficulty of advancing such large sums for duties—thus, the stock being reduced to a manageable amount, some wealthy importer, or holder, would naturally buy up what he could from his neighbors, and then advance the price of this necessary of life 20, or perhaps 50 per cent.—speculating, not upon the broad grounds of deficient production and increasing consumption, (always desirable as preventing scarcity,) but, with the narrow spirit of a monopolist, seeking to add hundreds of thousands to his already overgrown fortune, at the expense of the consuming classes. Ought we to blame him? Not at all; no one has, or ought to blame him; the fault is in the system of duties, which facilitates and encourages such things. It ought to be changed, for the rich can grow richer fast enough, without the aid of laws increasing their monopolizing powers at the expense of the rest of the community. Of course this is an imaginary case as to tea, because it is free of duty, but may not be so as to other articles which are just as much necessaries of life.

"The Warehousing System, however, would in a great degree, be utter destruction to all such schemes, as all who understand it can readily perceive. Indeed, I heard a leading New York importer say, 'No doubt, a Warehousing System would be beneficial to the general commerce and navigation, but I don't want to see any such thing, for it would be injurious to my business, and would so increase the stock of goods, that I should find it difficult ever to get good prices. After a while, some pretty constant export trade in foreign goods might spring up, but I have money enough for paying duties in cash on arrival, and I am content with the present system.' He would also, no doubt, have added, if I had pressed the point, 'I also prefer the present system, because it causes the trade in high-dutied articles to centre more and more in this city, and so it gives me more knowledge of the stocks on hand, and more control over prices.' In fact, the present system must benefit New York at the expense of other cities, upon the well-established principle, that, where large capitals are required in trade, the city of most trade will attract them to it. If, then, a monopolist desires the continuance of the present system, he has only to let it be understood and circulated, that a Warehousing System would operate almost exclusively to the benefit of the city of New York, and if he can thus get sectional prejudices and jealousies excited, he may probably continue to enjoy his monied power, at the expense of the rest of the country.

"It would be illustrative of my position, that the present system of collecting duties is calculated to confine the importation of high-dutied articles more and more to New York, and to throw Houses of smaller capital out of such trade, if we could see a comparative statement of imports of such articles at various ports for the last twenty years, with the whole amount of imports and exports of each port for each year; and if we could have the number of regular importers of dutiable and of free articles, for each port and year, and the number who

have given up the business, owing to the inconvenience of large cash outlays for duties, it would also be very instructive—but as the latter would be indelicate, being virtually an enquiry into the capitals and resources of Merchants, it might be inexpedient as well as difficult to try to obtain it.

"We must expect many objections to be made to the establishment of a Warehouse System; some from honest ignorance, some from selfish blindness, some from mere stupidity, some from political tom-fooleries, some from sectional feelings, some from grasping rapacity. Most of the objections so far, however, have proceeded from high quarters in the Treasury at Washington, and from the high-tariff-protective-policy party—the former arising from timidity as to the effect upon the revenue, combined with want of knowledge of the subject, and perhaps a little political coquetting; the latter, in most cases, from downright rapacity. The present Secretary of the Treasury, who has none of the strong excuses to offer for shirking the question, which his predecessors for some years past might well shelter themselves under, should not fail to inform himself completely upon it, so as to bring forward the measure at the opening of the next session in a statesman-like manner. For of all the times there have ever been for it, this is the time which any man, who has the slightest pretensions or desire to be considered in any degree a statesman, ought to regard as the best time there has been for the introduction of such a measure.

"Some persons confound our former credit system with the Warehousing System, because under both, the duty is not necessarily paid on the arrival of the vessel; but they are essentially different. By the former, the Government trusted the Importer for the amount of duty for a specified number of months, (not a year, however,) upon mere personal security, and allowed him to have possession and control of the goods, but by the latter, it does not trust him at all, but keeps possession or control of the goods, until the duty has been paid in cash, within 3 years, however, after importation. By the former plan, in case of exportation, there has been a receiving and is a repaying of duty, with all the risk and inconvenience which such unnecessary transactions entail; while, by the latter, not a dollar passes into or out of the Custom-House, for duty or debenture, the goods being taken from the bonded Warehouse to the exporting ship, under supervision of the Custom-House authorities; for it is a beautiful and simplifying principle of the Warehouse system, that, (except in the rare cases of bounties on refined sugar and such like,) no duty which has been received, is ever returned; but by our present system duties may be received this week on Havana sugar, and look like revenue, and next month the article may be exported and the duty refunded.

"As to other effects peculiar to the Warehousing System: at least three-fourths of the tonage arriving from foreign countries at the Southern ports are in ballast or empty, and might bring at $2 per ton, such goods as are shipped from Liverpool, London, and Havre, in the packets for New York, at $5 to $10 per ton; and as our own ships, generally speaking, get a preference of freight over foreign ships, they would get some additional freights from Europe to Southern ports, if the tendency of Custom-House regulations were not to confine importations more and more to New York; but as it is, the cotton, rice, tobacco, lard, pork, &c., of the South and the West, have to pay freights sufficient to cover the expenses of nearly two passages across the Atlantic, or our own ships cannot pay their way. We can, in this way, explain some facts which seem astonishing—viz: that the freight of cotton from the Southern ports to New York is generally very low; and from New York to Europe, in those beautiful and extremely expensive packets, generally ½ a cent per lb. less than from Charleston, Savannah or New Orleans, to Europe; and from Bombay to Liverpool, often less than from Mobile or New Orleans to Liverpool. To explain the first, we have only to bear in mind, that the present system confines the importing trade very much to New York, from whence the goods are distributed to the various Southern ports, by the coasting packets, hence these latter, obtaining freights from New York to Southern ports, which help to pay their way, can afford to carry the lower from Southern ports to New York—yet absolutely some Southern gentlemen, who are always growling about the aggrandizement of New York, are opposed to the removal of one of the main causes of that aggrandizement. As to the second:—as the packets from New York get frequently great freights of goods from Europe, they can afford to carry goods cheaper from New York to Europe, than they can be carried from the Southern ports. As to the third:—vessels sometimes get their best freights from England to Bombay, and sometimes from Bombay to England; and hence it is that cotton freight is often so very low from Bombay. I have known it to be only ¼ of a cent per lb. The last quotation from Bombay is about 1⅛ to 1¼ cent per lb., but this is higher than usual, although considered scarcely a remunerating rate, from New Orleans to England or France. I do not hesitate to say, that I believe the trade of our Southern ports would be more benefitted by the introduction of the Warehouse System, with our present rates of duty, than by a 50 per cent reduction in the rate of duty, with the present mode of collection.

"I cannot better exemplify the effect of removing restrictions from trade, than by giving the substance and nearly the precise words of a conversation I had this week, with an extensive and general Merchant, who, among other branches of business, has much to do with Canada:

"'*Question.*—Has the bill of last session, allowing drawback on foreign goods sent to Canada, increased that trade much yet?

"'*Answer.*—Immensely already.

"'*Q.*—In what particular article is the increase?

"'*A.*—In almost every thing you can think of as at all probable. To name one item: I have lately bought all the —— —— in this city; they were, as it happened, much wanted, so my friend could not wait to send to England; besides, it is rather late in the season, and they might be disappointed in getting them, by long passages, or the closing of the St. Lawrence. You know I always sent tea and such things, as are duty free, but there are more than usual, I think, even of such articles going—then also a good deal of foreign sugar, and would be much more, but the price is high and the stock here light. And it is curious to observe what quantities of things the Canadians are taking, which they did not come for—great quantities of *our own products and manufactures*—a man comes to buy 2 or 3 things, and buys a dozen things before he has done.'

"To this I must remark: If the introduction of the somewhat cumbrous system of drawback upon exportation to Canada, is working such wonders, what would the beautiful and simple Warehouse System do; seeing that it would further cheapen the goods to the Canadian, by one-fortieth part of our duty, and the saving of at least a month's interest, and would allow and encourage our Importer to hold larger stocks, out of which to supply him; for, in the case of sugar, we see that but for the small stock, the export would have been greater.

"A little consideration will show, that it ought to be the policy of our Government to bring the period of receiving the duty, as close as possible to that of the actual consumption of the article, and that such is one of the necessary effects of a Warehousing System. If the receipt of duty on sugar could be postponed to the day before it goes into the coffee-cup, so much the better; for the consumer would save interest, and as actual consumption proceeds more steadily than actual importation, or in other words, the daily or weekly or monthly changes in its extent are confined within narrower limits, than the changes in the extent of importations, so would a steadier and more constant stream of revenue flow into the Treasury, and by its greater or less strength, form an index of the prosperity or otherwise of the consuming class—the great mass of inhabitants. I should think any statesman would be glad to have such an index to consult, as it would save him from the necessity of relying upon individual opinions on many points, where information might be desired. Again—actual revenue and actual consumption being brought closer together, the effect of changes in rates of duty is much sooner developed; for instance, suppose the present duty on coffee is 3 cents per lb., and it is to be reduced to 1 cent, the reduction to take effect in 3 months: there cannot be such a diminution in the amount of duty received in the interval, as there would be if revenue and consumption were further apart. Reverse the position; bearing in mind that when duties are increased, the object is increase of revenue, and perhaps as early an increase as possible; for instance, in case of war, when money in hand is specially desirable, in order to proceed vigorously without delay; the duty is to be increased from 1 cent to 3—the consumer of course lays in a larger supply, in order to have the benefit of the low duty, while the Importer, who has large stocks in bond, pays duty on the whole before the higher rate goes into effect. The Government finds revenue rush in at once at the very time it is wanted, and discovers that the bonded Warehouse has been a particularly safe kind of Sub-Treasury, in which the surplus revenue has, as it were, been securely deposited until wanted, without a dollar of circulation having been withdrawn from trade, or the risk of trusting any man or set of men, upon mere personal security, having been incurred.

"But, under our present system, there may be a long spell of strong Easterly wind this month, bringing vessels in short and shorter passages from abroad, and therefore a perfect torrent of revenue, which the West winds of next month will as surely reduce to a dribbling streamlet; and if, at the setting in of the West winds, a large export of high-dutied goods occurs, then away runs a part of the apparent revenue of the previous month. And yet some Secretaries have had, I know not whether to call it the impudence or the ignorance, to say or pretend, that with a Warehousing System, they could not possibly make any calculations as to probable revenue!

"Some years ago, when it was pretty generally known among informed merchants in New York, that, in consequence of dull trade and other causes, importations would be very small, and many goods were being re-exported to Europe, for the double purpose of getting cash in hand by the drawback, and of bringing the goods back again to be entered at a reduced rate of duties, which was to take effect in some 3 or 4 months, I happened to pass through Washington, where, meeting a friend who was in the Cabinet, I asked him, or rather stated these opinions to him, as to the revenue and its prospects, and being much surprised at his reply, that the revenue was improving and likely to improve, he assured me that he had had a long conversation, within a day or two, with the Secretary of the Treasury, who had spoken most confidently upon the subject. I have always wondered at it, but account for it thus: Probably there had been many arrivals of cargoes crowded into the 2 or 3 previous weeks, by strong East winds, while the payment of drawbacks on the goods which were being

re-exported, had not yet commenced. Certain it is, that the Secretary's views proved to be anything but correct. I do not mean to say the Secretary was stupid or indolent in his business—but I mean rather to excuse his mistake—for who can make any confident estimate of probable revenue, when the receipts of the Custom-House are not governed by the consumption of the country, but by East or West winds, and are subject to all the uncertain deductions of debenture?

"I was asked some months ago to make a short summary of, 1st, The advantages of a Warehousing System—2nd, The objections which had been raised to it—and 3rd, the replies to those objections. I will now repeat the whole, leaving out the objections of Secretaries of the Treasury in particular, simply because, as they have no sound ones to offer, we need not fear that the present Secretary will offer any.

As to the Advantages.

"1st. The greater independence of changes in rates of duty, which it would impart to foreign commerce, and therefore the facility with which duties might be altered hereafter, as necessity or expediency might require, without agitating the entire trade of the country, or going into a revision of the entire Tariff; the principle being understood that the rate of duty to be paid, is the rate existing at the time of payment.

"2nd. The abolition of the Debenture System, with all its complications and risks.

"3rd. An even flow of revenue, step by step with the consumption of the country; and not, as at present, dependent upon East winds or West winds, over-importations or under-importations, debentures and drawbacks.

"4. The existence of larger stocks of foreign merchandise, which would tend to increase the export trade, to prevent fluctuations in prices here, and to make us more independent of fluctuations abroad.

"5th. The acquisition of an increased portion of the trade of all neighboring countries.

"6th. The greater extension to small capitalists of the ability to trade in high-dutied articles, and therefore the diminished power of great capitalists to make monopolizing speculations.

As to the Objections and my Replies to them.

"1st. That large stocks of foreign goods would be accumulated in our ports, to the injury of the prices of similar home-made fabrics and products.

"*Reply.*—Allowing, for the sake of argument, that the effect upon prices would be as alleged, such an indirect mode of 'protection,' as imposing restrictions which are injurious in their general effect upon trade, and not necessary for the security of the revenue, ought not to exist; but if necessary for 'protection,' such obstacles and restrictions ought to have a *money value* affixed to them, and be put into the plain shape of an addition to the rates of duty, when they would be in a great degree disarmed of any injurious effect upon general trade, by a Warehousing System.

"2nd. That importations would be so excessive, when no duty need be paid until the article was delivered for consumption, that large exportations of the precious metals would necessarily follow to the great damage of trade.

"*Reply.*—Let trade regulate itself. If importations are too large, the export of specie will check them. The present system has not prevented the export of specie; it has been exported; why then adhere to it for any such imaginary virtue? Besides, merchants do not require the guardianship of Congress to prevent them from over-trading, any more than manufacturers or planters require it to prevent the building of too many mills, or the planting of too much cotton and tobacco.

"*3rd.* That the construction of 'great Government Warehouses,' at vast expense, would be necessary for carrying out the System.

"*Reply.* No such necessity exists; nay, any building, or hiring of Warehouses, by the Custom-House, or Government, would, in practice, be less necessary, than under the present system; and any such proceeding is particularly to be deprecated. There is no objection to throwing open the 'Warehousing business' to private competition, as it is in Liverpool, for instance, where, in 1842, there were 349 private Warehouses, or receptacles, licensed for bonded goods;—the Government having nothing to do in the matter, but to license Warehouses, when required, if properly secured according to law, and to put their own locks upon them, and keep the keys, the rate of storage being an affair between the owner of the Warehouse and the owner of the goods, and in which, neither the Government nor any of its officers, ought to be permitted to be interested. In fact, I consider the opening of the 'bonded storage business,' to private competition, particularly desirable.

"*4th.* That it would only tend more and more to aggrandize the city of New York.

"*Reply.* I have already said enough to show, that this is a *particular* effect of the present, and certainly would not be of the proposed system.

"It is unnecessary to go into the details of a Warehousing Bill in this place; but, in them, as in the sciences, a few first principles will solve a great many questions, and particularly the principle, that 'the duty is on the consumption.'

"Is interest to be charged on the duty, from the time of warehousing, to the time of payment? No; for the duty is on the consumption, and the goods are supposed to go into consumption when it is paid.

"If the duty is 20 per cent. when the goods are warehoused, and only 10 per cent. when they are entered for consumption, which rate is to be paid? The rate existing at the time of payment, because the duty is on the consumption.

"Should goods, warehoused in New York, be allowed to be sent under bond to Boston, to be re-warehoused there, that the Boston man may pay the duty on them, in Boston, when he chooses, or export them from Boston? Should a transfer of ownership of goods in warehouse be sanctioned and recorded by the Custom-House, from the importer to the dealer, or retailer, that the latter may pay duty, from time to time, on such portion as he wishes to have under his own control?

"The answer to both is: Yes; for the duty is on the consumption.

"Another principle of the system is, that the merchant, having the option of bonding, (i. e. Warehousing,) or paying duty, must abide by the consequences of his own choice; and, therefore, a duty once paid, is never refunded. If goods are burnt in a bonded Warehouse, or if they are lost or destroyed at sea, when going under bond to another place, no duty is exacted on them; but if they are pilfered while under bond, duty is exacted on the deficiency. In the former cases, they have not gone into consumption; but, in the latter, the pilfered portion probably has.

"Question upon question might be started, and answered; but I have written enough already to furnish examples.

"I will, however, say a few words more.

"The duty to be paid being at the rate existing at the time of payment, the importer, or dealer, however high the existing rate may be, can hold his stocks in bond, without fear of being entrapped by a reduction of duty; while, on the other hand, the present system, by exposing the holder of large stocks, (necessarily duty-paid,) to the risk of loss from reduction of duty, causes, and must always cause, the stocks of high-dutied goods to be inexpediently small. The Government may indeed make provision for returning the duty in such cases, but this would give much trouble, cause expense, create confusion, and lead to frauds; while, under a Warehousing System, such refundings of duty are practically unnecessary.

"Again. Suppose I have ordered a cargo of tea from China, and a duty of 10 cents per pound is imposed before it arrives: I should, under the present system, complain very much of having to pay such a duty in cash before landing it; for I might be compelled, by the outlay of money, to make sales before the full effect of the duty had been felt in the market price. But under a Warehousing System, I should have no ground for complaint, because I could then refrain from selling my tea, without any more inconvenience, than if it had remained free of duty. We can see here, how the self interest of merchants leads them, (and they may be scarcely conscious of it themselves,) to give erroneous views to Government upon questions of commercial policy, mainly in consequence of the particular operations of the present system of collecting duties.

"From all that I have said, I think it follows conclusively, that the Warehousing System is eminently fitted for a country like ours, where progress and change are so rapid, that alterations must necessarily be made in the rates of duty. Under its operation, such alterations can be made without paralizing general trade. The revenue can be sooner increased, whenever desirable,—and sooner decreased, in order to avoid the many dangers arising from surplus revenues; and, in fine, the whole country, and all the interests in it, except, perhaps, the mere monopolizing capitalist, can be benefitted.

"If any objections are started, I do not doubt that I shall be able to prove that they are frivolous, selfish, or unsound; or, at all events, applicable with greater force to our present system.

New York, 28th August, 1845."

I think, that every one, at all conversant with the subject, will agree with me, that the proposition is proved, and that, after such a demonstration, my friend might have written Q. E. D. to the *pons Asinorum* in the 1st Book of our Commercial Code.

There are, though, still other points of view, in which this question might be presented, or further urged, without, by any means, exhausting the subject. Its effects upon the consumer here, might be examined more in detail. We might show, more at large, how it would increase consumption, increase both demand and supply; and swell the revenues of the Government; the practical simplicity of its operation; the convenience with which the Tariff might be altered and amended, without throwing the whole commerce of the country into a feverish state; the protection it would afford the consumer against famine prices and inordinate speculation; the readiness with which it would yield increased revenue, to meet the exigencies of sudden war; the manner in which it would lessen the chances of war, by strengthening the bonds of peace and drawing closer the ties of friendship, by extending and increasing the system of mutual dependance between us and the neighbouring nations of this continent:—each and all of these points afford strong views that might be urged in its favor; and some of them have heen so urged by my friend, whose letter I have quoted.

There is one other point of view, however, in which I beg the indulgence of only a hasty view of its operations.

Our trade in the reëxportation of foreign merchandise, exemplifies in a remarkable manner, the correctness of some of the positions already advanced,

with regard to still further advantages of the Warehousing System itself. I derive my facts from official statements and other authentic sources, that have been brought within my reach since the foregoing was written.

Tea and coffee, with a few other, but by no means leading articles of commerce, pay no duty at present; they constitute the basis of this reëxporting business; and the course of trade, as far as they are concerned, is as it would be with them under the Warehousing System. Let us therefore call these, "Warehousing" articles, to distinguish them from all other articles of foreign merchandise, which are reëxported with the obstructions of our present regulations upon them. Let those, which are so obstructed, be designated as "drawback" articles. Now, the last treasury report shows, that the value of our trade with British America in the articles of the "Warehoused" classification, exceeds that in those in the "drawback" class, TEN times. Of the former class, our merchants sent to Canada and New Brunswick, $1,250,000, and only $113,000 of the latter. And to mark this contrast, in colors still more striking, it should be recollected, that in the classification of "drawbacks" are included all the great staples of commerce, and almost every article of foreign production, except tea, coffee, gold and silver; which last articles constitute the "Warehoused" division. The reëxport trade of the country, in these few items of the "Warehoused" class to all parts of the world, exceeds the reëxport trade in the "drawback" class, in the proportion of $8,000,000, to $3,500,000. The latter class paid $1,166,000 into our Custom-House, when they arrived, and took it back again, *minus* commissions, when they cleared, and merely yielded that paltry 2½ per cent., or about $29,000 to the Government. Why should we not, therefore, let all other articles, as well as tea and coffee be Warehoused, and be re-exported free of Custom-House tolls and pawn-broking regulations? This reëxport trade would increase the business of our merchants, benefit our commerce, give employment to our shipping, and greatly increase the consumption of your produce abroad. Take a case: *gratiâ exempli:*

What did our merchants give in exchange for these eight millions of "Warehoused" articles, that were reëxported from the country? They gave the produce of your soil, or the fruits of American labor, in some shape. Suppose these articles had been saddled with deductions and obstructions of drawback:—instead of reëxporting upwards of 8 millions, we would have reëxported less than one; for this is the ratio between the exports of the 'Warehoused' and 'drawback' articles, as given by Custom-House figures. Would not, therefore, the trade of the country, and, consequently, the markets for your produce, have been lessened to the extent of $7,000,000, had they been subject to "drawback" instead of being duty free? The American merchant, we will suppose, offers to a guild of foreign merchants, such as Canadians, French, Mexicans, etc., a lot of Western produce; none of them want it in its proffered shape; but the Mexican wants silks, the Canadian tea, the Frenchman wants coffee, &c.

"Very well," is the reply to the last two, "I have a ship trading to Java and China; these orders of yours will just about enable her to complete her cargo;—an assorted cargo, by the way, is the best kind;—I'll put this Western produce on board, and she will soon convert it into tea and coffee, which I can let you have cheap; for, though they will first have to be landed in New York, for which place the bulk of the cargo is intended, still there are no Custom-House charges in the way."

"Why not let her bring my silks too?" asks the Mexican.

"Your present wants, will, no doubt, be supplied before my ship returns," is the reply, "I shall then have to land your silks, and deposite one third of their value in cash with the collector, till you want a fresh supply, which may be six months, or a year; and in the meantime my money is lying idle in the Custom-House. This will make your silk cost more, for I must not only charge you with commissions for this advance to the Custom-House, but you must also give enough for the goods besides, to pay me for lying out of the use of this money in the Custom-House. I can't venture. Go to an English merchant. He can bring what silks you want from China, in one corner of his vessel—land them in England, without any of the obstructions that are in my way. He Warehouses them, and reëxports them without paying Government a cent; and, therefore, can undersell me. Thus we lose much of your business."

Thus the business of the country suffers, and the merchant is prevented from converting so much of your cotton and tobacco, or some other stuff, into silk for the Mexican, and so with all the "drawback" articles.

As you increase the ability of one class to sell cheap, by enlarging the market, you increase the ability of another to buy. The two are correlatives, and stand as closely in their relations, as cause and effect, as do the admirably regulated principles of supply and demand.

That the course of trade here alluded to, is eminently calculated to benefit the producers of the country, cannot be denied. Suppose that there were some magic wand, or wonderful lamp, by which your produce, as it passed down the Mississippi, might be suddenly converted into teas, silks, wines, coffee, sugar, salt, and all varieties of merchandise:—would not such metamorphosis of raw produce extend your markets, and create demand for additional supplies from you? Precisely similar, as to effect, will be the operation of this Warehous-

ing System. Take away the present system, which prevents a similar operation, substitute the Warehousing System, and then give your cotton, hemp and tobacco, provisions and bread-stuffs, to our ships. They will take them off beyond the seas, conduct them through the labyrinths and laboratories of commerce, and in a little while bring them back to you in the shape of teas, wines, silks, groceries, or dry goods, hardware and cutlery of all sorts, paterns, and descriptions. For these, you might find buyers, in markets where the raw articles would have perished on your hands. According to estimates, based upon official data, the removal of the present, and the introduction of the proposed system, would increase the export trade of the country $20,000,000, and the import trade, nearly as much. What class among ship-owners, producers, or consumers, would such an increase of trade not benefit?

The total value of duty-paying articles imported into the country last year, was $83,668,154, and of the reëxportations from these, or the "drawback" class, the value was $3,519,760, or 4 per cent.

The value of the free, or "Warehousing" articles, imported for the same time, was $24,766,881; and the value of their reëxports $7,965,107, or 32 per cent. According to these rates, if the Warehousing privileges had been enjoyed alike by all varieties of merchandise, as well as by tea and coffee, we should have imported, of the first class, $110,000.000, and reëxported $27,000,000, instead of $3,500,000. These are startling results, and it may again be asked, where would the means come from to buy these extra $24,000,000 of foreign stuff. I answer, without the fear of contradiction, that a fair quota of them would be forthcoming from the Great Valley of the West, so soon as the laws of supply and demand could operate there. Supposing the present ratio between the exports and imports of the country to remain the same, the value of the former, under the proposed system, would be $124,000,000; under the present system, it is $108.000,000.

This is an important and interesting view of the subject, and it would be profitable to follow it out in its various aspects, did time and circumstances permit.

About ONE FOURTH of all the commerce of Great Britain consists in the RE-EXPORTATION *of bonded merchandise*. Such are the fruits of the system there. But suppose they should not be as abundant here. What, if instead of giving to this country forty millions more of commerce to fetch and carry, it should give but twenty, or ten, or five, or ONE, is it not worth having? Take the narrowest view of the subject that stolid ignorance can suggest, and it still presents one of those cases in which the South, or the country, can't lose, and may gain.

A MONTHLY MAIL TO OREGON.

I will but mention this one subject more, and be done.

A regular Mail through that Territory, and thence to the Sandwich Islands, is another of those measures, which are of self-evident importance. A mail-line from Independence, across the Rocky Mountains to Oregon, would keep perpetually bright the links in the chain, which most do bind those danger-loving pioneers there to their native land. Early associations, bright spots in their memory, and much that is dear to the stout and brave hearts of these emigrants, are still on the morning side of the Rocky Mountains. Afford them the means of frequent communication with "Father-land," and those they have left behind them, and they will at once feel, that neither snow-clad mountain, nor rugged heights, nor distance, nor difficulty, nor danger, nor all the powers of man, nor physical obstructions, can separate them from their country and us.

Encourage such feelings;—they are the stronghold of this Government, and will become for us a citadel of strength in Oregon, which cannot be moved. Study, therefore, the interests of these people; they are of our own flesh and blood; keep up an oft-repeated and friendly intercourse with them; let it be mutually advantageous; and these lovers of liberty in the forest, as they reclaim the fruitful valleys of the Columbia, from the savage and the wilderness, will bring them in as free-will offerings, and in majestic sovereignty, add State after State to the glorious "Union." Properly cared for, these emigrants and their followers, with axe and rifle will execute for you, out there in the wilderness, a deed, and convey to you a right and title, to that Territory, which neither court nor crown can dispute.

Arrived at the mouth of the Columbia, the Mail should be continued on to the Sandwich Islands. For this purpose, three or four men-of-war schooners, or what would be better, a couple of armed steamers, should be sent out there.

By this arrangement, the letter-distance of our merchants, from their business in the North Pacific—from China, and the numerous islands and populous countries, bordering upon that Ocean, would be lessened by one half.

We have a fleet of 600 whaling vessels, manned by 16,000 American seamen, continually cruising and fishing in those seas. The Sandwich Islands are their place of rendezvous for refits and provisions. This fleet offers a *home*-market, at once, for all the present surplus produce of our citizens in Oregon. Hitherto neglected by the Government, or but little cared for, these ships float a capital of not less than $20,000,000, and are freighted with interests even more valuable. Such a channel of communication between them, their

owners and friends in the Atlantic States, would, with its collateral results, be of incalculable advantage. These vessels are generally absent three years at a time, and cases occur in which they do not hear from home during the cruise.

Nor is this the only, or by any means the strongest light, in which this question of a Mail through Oregon may be presented. The Sandwich Islands are in the midst of the sea; they are within the region of the Monsoons; they are immediately on the way-side of all the great thoroughfares across the "Grand Ocean;" midway between Western America, China, the East Indies and Africa; between Western America and Polynesia; they are at the Western crossing place of the chief commercial highways between our Continent, those Islands, that Continent and people. Situated thus, they are in the centre of business, and would serve as a sort of distributing post office, whence letters, brought by the Oregon Mail, could be distributed, through ordinary traders, to all the islands of that vast Ocean, and the countries bordering upon it. Who shall calculate the scope and reach, the end or importance of the collateral results, which shall flow, in time to come, from the establishment *now*, of a regular Mail to *such* a point, through *such* a Territory!

Only 200 millions of consumers are supplied through the markets of the Atlantic Ocean. But there are in the Pacific, and the countries bordering upon it, not less than 600 millions of people, whose wants have always been meagrely supplied. Badly fed and half clad, they are eager for our produce, and are well able to buy and barter freely. Can it be supposed, that the stinted China-man would shovel dry, boiled rice down his throat, with chop-sticks, if he could get our flour and corn, bacon and beef, at any thing like a reasonable price?

The Pacific slope of this continent is to be the granary and store-house for these, and hundreds of millions of people beside.

Be prompt with your facilities for communicating with and through Oregon; they will attract the attention of business men to that quarter, and will draw business there, in a little while. Thus, Oregon will have the start, and American enterprise will open the door, and force the way to a commerce, which is destined to be of untold extent.

A rich country, springing up out of the wilderness, under the hand of Anglo Saxon industry and energy, and overlooking the wants of 600,000,000 of people! The time will come—it may not be in our day—but come it will, and the measure proposed will hasten it on—when the commerce of North Western America over the Pacific, will be, to the commerce over the Atlantic, as the flood tide of business on the "Father of waters" now is, to the slack-water traffic of the Schuylkill river.

A far-reaching stroke of policy, would be the speedy establishment of this mail-line, and to the sagacity of the keen-sighted statesmen of the "Great Valley of the West," do I commend and commit the measure. As ever,

Yours,

HARRY BLUFF, U. S. N.

AUTUMN.

BY T. H. C.

Farewell! thou dying Year, farewell!
  Thy reign is almost o'er;
Fled the freshness of vernal hours,
The glory of thy summer bowers,—
And e'en thy last pale ling'ring flowers
  Will soon be here no more!

'Tis sad to see the hues of death
  Fast stealing o'er thy bloom,
To hear the fitful Autumn gale
Sweep through the lonely wood and vale,
Breathing its low, prophetic wail,
  O'er thy approaching doom!

To me, in every passing breeze,
  There is a tone of grief,
Recalling hopes of vanished years,
Now only seen thro' Memory's tears,—
An emblem of whose fate appears,
  In every falling leaf!

Perhaps there are bright eyes, that weep
  To see thee pass away,
Who in thy course, departing year,
Have ne'er been dimm'd by sorrow's tear;
And blest with all of bright and dear,
  Would gladly woo thy stay.

But there are some, whose hearts are glad,
  Thy darksome reign is o'er,—
Who would not live thine hours again,
For riches of the earth and main;
But joy those days of care and pain,
  To them, can come no more.

For thou hast seen the dearest ties
  Of earthly feeling broken!
To be renewed, oh! never more,
Unless on that eternal shore,
Where, grief and death forever o'er,
  No parting words are spoken!

Then fare thee well, departing Year!
  I would not woo thy stay;
Thy sighing winds breathe of the tomb;
Thy fading roses speak the doom
Of the heart's cherish'd hopes—whose bloom,
  Like thine, has passed away!